

Part III

Directives

- III.1 Captive Insurance Managers
- III.2 Appointment of an external auditor at a Captive Insurance Company
- III.3 Actuarial certification for Captive Life Insurance Companies
- III.4 Solvency Margin
- III.5 Anti-money laundering and combating the financing of terrorism for Insurance Companies
- III.6 Prospective Managing Directors and members of the Supervisory Board
- III.7 Prospective (In-) Direct Shareholders- Natural Persons
- III.8 Directive on the management and reporting of incidents

III.1 Captive Insurance Managers

1. Introduction

An insurance manager is defined as a person or company that provides, or holds itself out as providing, insurance management services to one or more captive insurers.

Captive Insurance Managers act as intermediaries between the Supervisor and the Shareholders/ Supervisory Board of Captives, providing staff and related resources and expertise to the captive industry. Pursuant to Section 7, sub a, section 17 of the SOSIB and section 5, paragraph 1a and paragraph 3 of the SDCIC a Captive Insurance Manager acting as representative needs the Bank's prior written approval. In order to assess the intended appointment in the light of the criteria above, the candidate is required to complete the Bank's questionnaire (Annex 1), sign and return it to the Bank.

Also, the prospective captive insurance manager should provide the Bank with the following information and documents:

1. Ownership and Management

- Full details of ownership of the entity – beneficial ownership should be known. Any changes in control of the entity should receive prior approval of the Bank.
- A copy of the shareholders' register.

2. Staffing

- A detailed organizational chart showing any related entities should be provided.
- The prospective insurance manager should demonstrate that the entity will be controlled and managed by persons who are fit and proper, taking into consideration honesty, integrity, reputation, competence, and financial soundness.
- Staffing structure should include qualifications and experience relevant to respective positions of all members of staff.

3. Business Plan

- A detailed business plan covering the first three years of operation. The business plan should at least include the following information:
 - a. the reasons for wishing to establish a presence in the domicile as well as short and long term goals and objectives and how these will be met.
 - b. A description of the services to be offered, target markets, areas of specialization, staffing structure and financial projection. If any functions are to be outsourced, full details including copies of agreements should be provided.
 - c. If available/relevant, latest financial statements of the company/parent should be supplied to substantiate financial resources.
 - d. Articles of incorporation.
 - e. Confirmation that an auditor has been appointed.
 - f. Proof of Professional Indemnity cover.

4. Compliance

- The Insurance Manager should have in place compliance and procedural manuals and internal controls that will ensure effective management and compliance with relevant legislation.
- The Insurance Manager should be required to have an annual independent audit performed.
- The Insurance Manager should be required to have at least one independent Director.
- The Insurance Manager should be required to comply with respective industry standards/codes of conduct if such standards/codes exist.

Upon approval by the Bank the captive insurer must submit a filled out and signed Deed of Appointment for a Representative of a Captive Insurance Company (Annex 2).

III.2 Appointment of an External Auditor at a Captive Insurance Company

Directive on the appointment of an external auditor by virtue of article 10 in conjunction with article 15a of the State Ordinance on the Supervision of the Insurance Business (AB 2000 no. 82) (SOSIB) for insurance companies licensed by the Centrale Bank van Aruba (the CBA).

1. Introduction

It is important that supervisors obtain the information they need to properly form an opinion on the financial strength of the operations of each captive insurance company. This information is obtained, amongst others, from the financial reports that are filed, supported by information obtained through communication with the external auditor. As such, supervisors have a clear interest in ensuring that external audits performed are acceptable and that an adequate relationship between them and the captive insurance companies' external auditors exists, essentially based on the principles and guidance papers formulated by the International Association of Insurance Supervisors. In this respect, high standards of auditing are indispensable. As such, the audit performed should be carried out by external auditors who:

- are properly licensed and in good standing;
- have relevant professional experience and competence;
- are subject to a quality assurance program;
- are independent in fact and in appearance;
- are objective and impartial; and
- comply with all ethical requirements.

Pursuant to article 1 of the SOSIB, an external auditor is: 'a person who is not employed by the company or institution, being a "registeraccountant" or an "accountant-administratieconsulent" registered pursuant to article 36, paragraph 2, item i, of the Dutch Law on the accounting profession (Stb. 2012, 680)'.

2. Directive

Any appointment of or change in external auditor needs the CBA's prior written approval. In order to assess the intended appointment or change, the institution concerned and the external auditor are required to complete the "Questionnaire External Auditor" (Annex 4). Reference is also made to the Guidance notes associated with the Questionnaire External Auditor.

In case of a change of external auditor, the CBA should be informed on the reason(s) for the intended change.

DIRECTIVES

The CBA will grant its approval if the external auditor complies with the requirements as stipulated in article 1 of the SOSIB and if there are no circumstances that, in the opinion of the CBA, would make the external auditor unfit for the assignment.

With regard to the independence in fact and appearance, there may not be any material financial interest, loans and guarantees, business relationships, and family and personal relationships between i) the captive insurance company, its Managing Board or a member thereof, its Supervisory Board or a member thereof, its direct or indirect shareholder(s), and (ii) the external auditor, the audit firm of the external auditor or a member/partner thereof.

The CBA maintains at all times the right to revoke its approval if there are circumstances that in the opinion of the CBA justify such an action.

Furthermore, when granting the auditor the assignment to audit the annual accounts, the captive insurance company shall instruct its auditor in writing to:

- a. after consultation with the captive insurance company that granted the assignment, provide the CBA forthwith with a copy of the auditor's report to the Supervisory Board, of the management letter and of the correspondence that relates directly to the auditor's report, in so far as these documents are considered to be necessary in reason for the proper fulfillment of the CBA's supervisory tasks;
- b. after consultation with the captive insurance company, inform the CBA in writing forthwith of circumstances that could hinder the issue of an auditor's report stating that the annual accounts give a true and fair view of the financial position of the captive insurance company;
- c. after consultation with the captive insurance company that granted the assignment, inform the CBA in writing forthwith of circumstances which could endanger the continuity of the captive insurance company, or from which it appears that there is a serious suspicion of an extensive fraud; and
- d. furnish the CBA, if required, with additional information on the documents referred to under a. and on the circumstances referred to under b. and c.

Subject provisions should be included in the engagement letter. A copy of the draft engagement letter must be attached to the request for the appointment of an external auditor.

Upon the CBA's approval of the external auditor, the final and signed engagement letter must be submitted to the CBA.

This directive enters into force as of April 1, 2020.

III.3 Actuarial certification for Captive Life Insurance Companies

1. Introduction

These guidelines must be taken into account for the preparation of the actuarial report and the actuarial certification of the adequacy of the technical provisions disclosed in the Annual Statements of Captive Life Insurance Companies.

2. Guidelines

1. The certifying actuary shall draw up an actuarial report on his analysis of the financial position of the Captive life insurance company (hereafter: the company) in accordance with the instructions contained in item 2.
2. The Actuarial Report shall contain the following items:
 - (a) The objective of the report;
 - (b) Substantiated conclusions with regard to the financial position;
 - (c) The methods and principles applied;
 - (d) The methods and techniques used to evaluate the financial position;
 - (e) Comments on the activities of the company and the commercial and institutional environment in which it operates, in so far as this has a bearing on the risk profile of the company;
 - (f) Comments, an opinion and recommendations with regard to the operations, based on an actuarial analysis of all possible factors that may threaten the solvency of the institution in the near future. In addition, the measures or management instruments should be stated which the management of the company may take or use to avert these threats;
 - (g) The declaration, as referred to in section 11 paragraph 3 of the State Ordinance on the Supervision of the Insurance Business (AB 2000 No. 82);
 - (h) Information on financially significant reinsurance agreements (including financial reinsurance) and implicit and explicit options contained therein, with an opinion on the purpose and feasibility of these agreements and the extent of the counterparty risk.
3. If deemed necessary, the draft of the report to be issued shall be discussed first with the external auditor. The outcome of these discussions with the external auditor shall be disclosed in a separate addendum to the report. Any remarks made by the auditor shall be taken into account. In the event that the actuary does not wish to incorporate the remarks made by the auditor into the report, he shall include these as a separate addendum and shall provide a commentary.

3. Explanatory notes to items 2(b), (c), (d), (f), (g) and (h)

Item 2(b) substantiated conclusions with regard to the financial position

The following aspects should be dealt with in the report:

- (1) Determine the degree of adequacy of the technical provisions at the balance sheet date for the insurance portfolio. Furthermore, in determining the adequacy of the provisions, an assessment will have to be made of the sensitivity of changes in the assumptions used.
- (2) The analyses of the development of the adequacy of the provisions referred to under item (1) compared to the previous year.
- (3) If the assets to cover the technical provisions are not sufficient (refer to form G: “coverage test” of the annual statements for life insurance companies) the actuarial report must contain notes explaining how this situation arose, the measures that must be taken to remedy the situation and recommendations aimed at preventing such situation in the future.

Item 2(c) the methods and principles applied

For the evaluation of the financial position it is important to know how the technical provision has been determined. In this regard the following explanation should be provided in the report:

- (1) The method used to establish the technical provisions:
 - prospective or retrospective;
 - entry age basis used to determine age at balance sheet date and period until retirement;
 - individual or aggregate approach.
- (2) The actuarial principles used to establish the technical provisions :
 - mortality table used;
 - family structure;
 - age difference;
 - actuarial interest rate;
- (3) A description of the quality (nature and reliability) of the assumptions used.

The relevant assumptions used should be compared to recent, internal and external experience data. In case the assumptions used deviate significantly, this should be explained. For example, verify the yearly mortality within the portfolio and compare this figure with the expected mortality (used to establish the technical provision).

DIRECTIVES

Item 2(d) the methods and techniques used in evaluating the financial position of the company

The following information should be provided in the report:

- (1) The methods, techniques and assumptions used for the evaluation;
 - Static or dynamic: In case of the static method, the coverage test (as stipulated in the annual filings) can be derived from the balance sheet, whereby the value of the assets are compared to the technical provision. This test should be performed yearly and should be compared with previous year. Significant changes in the outcome of the coverage test should be analyzed;
 - Changes in the methods applied;
- (2) Changes in these compared to the previous report;
- (3) Information on any limitations on the evaluation as a result of a lack of data, shortcomings in the administrative organization and systems, and the qualification that the certifying actuary makes as a consequence of this.

Item 2(f) comments, an opinion and recommendations with regard to the operations, based on an actuarial audit of all possible factors that may threaten the solvency of the institution in the future.

This relates to risks insofar as these have a bearing on the risk profile of the company, from the perspective of the actuary. The risks that can have a direct influence on the performance of life insurance business are for example changes in the mortality assumptions as well as changes in the investments results as a consequence, of for example, epidemics or war.

Item 2(g) declaration as referred to in section 11 paragraph 3 of the SOSIB

The declaration of the certifying actuary should consist of the following parts:

- (1) A description of the relationship of the certifying actuary to the company (internal or external actuary).
- (2) The professional qualifications of the certifying actuary.
- (3) The items to which the declaration relates, such as the correct determination of the technical provisions.
- (4) The extent to which use is made of the work of other experts in the area of administrative data, models and assumptions.

DIRECTIVES

- (5) The opinion of the certifying actuary with regard to the adequacy of the company's finances in relation to the settlement of all liabilities arising from the current insurance agreements.
- (6) Any qualifications in relation to the opinion referred to under point (5).
- (7) Any deviations from legislation and regulations or from the guidelines issued by the Centrale Bank van Aruba (CBA) in respect to the assessment of the financial position of the company, with a statement of the acceptability of and a statement of any risks arising from these deviations.
- (8) Dating and signing of the report with the personal signature and the name of the actuary; the name of the firm is not sufficient.

Item 2(h) information on financially significant reinsurance agreements

Financially significant reinsurance agreements shall be understood to be agreements, which, in the event that they were not entered into, would result in clear deviations in the provision and/or the capital adequacy and/or the result and/or the balance-sheet position of the company in question.

III.4 Solvency Margin

1. Legal framework

According to section 8 paragraph 1 of the State Decree Captive Insurance Companies (SDCIC) a captive insurance company must have a solvency margin:

- 1) in the case of a pure captive insurer, not less than Afl. 300.000 (Aruban Florins)¹
- 2) in the case of an association or industrial captive insurer, not less than Afl. 500.000 (Aruban Florins);
- 3) in the case of rent-a-captive, not less than Afl 1.000.000 (Aruban Florins);
- 4) in the case of other captive insurance company a minimum solvency margin to be determined by the Bank that will range between Afl. 300.000 and Afl. 1.000.000 (Aruban Florins).

Pursuant to section 8 paragraph 2 of the SDCIC the Bank may prescribe additional solvency based upon the type, magnitude, and nature of the risks that a captive insurer insures or reinsures.

The solvency may be maintained in the form of cash or an irrevocable letter of credit issued by a commercial bank licensed in Aruba.

2. Purpose

The solvency margin serves as a buffer to ensure that the obligations under the insurance contracts can be met at any time and that the insurer has free financial means (own funds) at its disposal in order to absorb discrepancies between the anticipated and actual expenses and profits.

3. Definition

The following capital elements form the available solvency margin:

1. "Paid-in capital";
2. "Statutory and general reserves";
3. "Retained earnings";
4. "Asset revaluation reserves";
5. "Net income current year".

In case of a mutual captive insurance company the paid-in capital is considered the policyholders' surplus. A branch office or an agency does not have "paid-in capital", in such case the capital assigned to the Aruban operations may be considered as paid-in capital.

¹ The exchange rate for the Aruban Florin is fixed at US\$ 1.00 = Afl. 1.79

4. Policy

The minimum solvency margin should at all times be held or invested in Aruba. The minimum solvency margin that an insurer must have at its disposal amounts to:

- 1) in the case of a pure captive insurer, not less than Afl. 300.000 (Aruban Florins)²
- 2) in the case of an association or industrial captive insurer, not less than Afl. 500.000 (Aruban Florins);
- 3) in the case of rent-a-captive, not less than Afl 1.000.000 (Aruban Florins);
- 4) in the case of other captive insurance company a minimum solvency margin to be determined by the Bank that will range between Afl. 300.000 and Afl. 1.000.000 (Aruban Florins).

The admissible assets to cover the minimum solvency margin are:

1. Treasury bonds issued by the Government of Aruba;
2. Shares certificates, debentures, profit-sharing certificate and other similar securities;
3. Proof of partnership rights;
4. Certificates of the assets as referred to in points 2 and 3;
5. Scrip certificates of the assets as referred to in points 1, 2 and 3;
6. Acknowledgement of debt towards the insurer, not being treasury bills or debentures, issued by or guaranteed by the Government of Aruba or other public entities in Aruba;
7. Acknowledgement of debt towards the insurer, not being debentures, issued by companies incorporated in Aruba or issued by companies incorporated in Aruba for which a license pursuant to section 4 or 24 of the State Ordinance on the Supervision of the Credit System has been granted.

The valuation and distribution of these assets require the Bank's prior approval.

Furthermore, these assets should be pledged to the Bank and kept in custody of a credit institution supervised by the Bank.

The solvency calculation is also part of the annual filings that all insurers should submit to the Bank (refer to exhibit 1).

² The exchange rate for the Aruban Florin is fixed at US\$ 1.00 = Afl. 1.79

DIRECTIVES

Exhibit 1

| Solvency Margin Calculation Captive Insurance Companies | | |
|--|----------|---------------------------|
| | | <i>Amount in AFL 1000</i> |
| Shareholders' Equity (= available solvency margin) | A | |
| Required solvency margin | B | |
| Surplus/(shortfall) (A-B) | | |

| Assets to cover the applicable minimum Solvency Margin | | |
|---|--|---------------------------|
| | | <i>Amount in AFL 1000</i> |
| 1 | Treasury bonds issued by the Government of Aruba; | |
| 2 | Shares certificates, debentures, profit-sharing certificate and other similar securities; | |
| 3 | Proof of partnership rights | |
| 4 | Certificates of the assets as referred to in points 2 and 3; | |
| 5 | Scrip certificates of the assets as referred to in points 1 up to and including 3; | |
| 6 | Acknowledgement of debt towards the insurer, not being treasury bills or debentures, issued by or guaranteed by the Government of Aruba or other public entities in Aruba; | |
| 7 | Acknowledgement of debt towards the insurer, not being debentures, issued by companies incorporated in Aruba or issued by companies incorporated in Aruba for which a license pursuant to section 4 or 24 of the State Ordinance on the Supervision of the Credit System has been granted; | |
| Total | | |

III.5 Anti-money laundering and combating the financing of terrorism for insurance companies

1. Introduction

The insurance sector³ and other sectors of the financial services industry are potentially at risk of being misused for money laundering and the financing of terrorism. Criminals look for ways of concealing the illegitimate origin of funds. Persons involved in organizing terrorist acts look for ways to finance these acts. The products and transactions of insurers can provide the opportunity to launder money or to finance terrorism. The insurance sector should therefore take adequate measures to prevent its misuse by money launderers and terrorists.

This directive sets minimum standards in the area of anti-money laundering and combating the financing of terrorism to which all insurers must adhere to.

2. Money laundering and financing of terrorism in insurance

2.1 The process of money laundering and terrorist financing

Money laundering is the processing of the proceeds of crime to disguise their illegal origin. Once these proceeds are successfully ‘laundered’ the criminal is able to enjoy these monies without revealing their original source. Money laundering can take place in various ways. Information on possible trends and techniques used by money launderers is collected by the FATF in the course of its annual typology exercise⁴.

Financing of terrorism can be defined as the willful provision or collection, by any means, directly or indirectly, of funds with the intention that the funds should be used, or in the knowledge that they are to be used, to facilitate or carry out terrorist acts.

2.2 Vulnerabilities in insurance

Life insurance and non-life insurance can be used in different ways by money launderers and terrorist financiers. The vulnerability depends on factors such as (but not limited to) the complexity and terms of the contract, distribution, method of payment (cash or bank transfer) and contract law. Insurers should take these factors into account when assessing

³ The insurance sector includes insurers and intermediaries. The word “intermediaries” shall, in the context of this paper, mean agents, brokers and any other form of mediation or delegation of authority on behalf of an insurer.

⁴ More information on typologies can be found on the website of the FATF (www.fatf-gafi.org)

DIRECTIVES

this vulnerability. This means they should prepare a risk profile of the type of business in general and of each business relationship.

Examples of the type of life insurance contracts that are vulnerable as a vehicle for laundering money or terrorist financing are products, such as:

- unit-linked or with profit single premium contracts;
- single premium life insurance policies that store cash value;
- fixed and variable annuities;
- (second hand) endowment policies.

When a life insurance policy matures or is surrendered, funds become available to the policyholder or other beneficiaries. The beneficiary to the contract may be changed – possibly against payment – before maturity or surrender, in order that payments are made by the insurer to a new beneficiary. A policy might be used as collateral to purchase other financial instruments. These investments in themselves may be merely one part of a sophisticated web of complex transactions with their origins elsewhere in the financial system.

Non-life insurance money laundering or terrorist financing can be seen through inflated or totally bogus claims, e.g. by arson or other means causing a bogus claim to be made to recover part of the invested illegitimate funds. Other examples include cancellation of policies for the return of premium by an insurer's cheque, and the overpayment of premiums with a request for a refund of the amount overpaid. Money laundering can also occur through under-insurance, where a criminal can say that he received compensation for the full amount of the damage, when in fact he did not.

Insurance intermediaries – independent or otherwise – are important for distribution, underwriting and claims settlement. They are often the direct link to the policyholder and therefore intermediaries should play an important role in anti-money laundering and combating the financing of terrorism. The FATF Recommendations allow insurers, under strict conditions, to rely on customer due diligence carried out by intermediaries. The same person who wants to launder money or finance terrorism may seek an insurance intermediary who is not aware of, or does not conform to, necessary procedures, or who fails to recognize or report information regarding possible cases of money laundering or the financing of terrorism. The intermediaries themselves could have been set up to channel illegitimate funds to insurers. In addition to the responsibility of intermediaries, customer due diligence ultimately remains the responsibility of the insurer involved.

3. Control measures and procedures against money laundering and financing of terrorism

3.1 General

Insurers should be constantly vigilant in deterring criminals from making use of them for the purposes of money laundering or the financing of terrorism. By understanding the risks of money laundering and the financing of terrorism, insurers are in a position to determine what can be done to control these risks, and which procedures and measures can be implemented effectively and efficiently.

For reasons of sound business practice and proper risk management insurers should already have controls in place to assess the risk of each business relationship. As customer due diligence is a business practice suitable not just for commercial risk assessment and prevention but also to prevent money laundering and the financing of terrorism, control measures should be linked to these existing controls. The concept of customer due diligence goes beyond the identification and verification of the policyholder - it extends to identification of the potential risks of the whole business relationship.

The duty of vigilance consists mainly of the following elements:

- Customer due diligence
- Recognition and reporting of suspicious customers transactions, and
- Provisions of affecting the organization and the staff of the insurer, such as a compliance and audit environment, keeping of records, the recruitment of staff and training.

3.2 Performing due diligence on customers, beneficial owner and beneficiaries

3.2.1 CDD in general

Insurers should know the customers⁵ with whom they are dealing. A first step in setting up a system of CDD is to develop clear, written and risk based client acceptance policies and procedures.

Customers due diligence measures that should be taken by insurers include⁶:

- identifying the customer and verifying that customer's identity using reliable, independent source documents, data or information

⁵ Know-your-customer

⁶ FATF Recommendation 5.

DIRECTIVES

- determining whether the customer is acting on behalf of another person, and then taking reasonable steps to obtain sufficient identification data to verify the identity of that other person
- identifying the (ultimate) beneficial owner, and taking reasonable measures to verify the identity of the beneficial owner such that the insurer is satisfied that it knows who the beneficial owner is. For legal persons and arrangements insurers should take reasonable measures to understand the ownership and control structure of the customer
- obtaining information on the purpose and intended nature of the business relationship and other relevant factors
- conducting ongoing due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the insurer's knowledge of the customer and/or beneficial owner, their business and risk profile, including, where necessary, the source of funds.

The extent and specific form of these measures may be determined following a risk analysis based upon relevant factors including the customer, the business relationship and the transaction(s). Enhanced due diligence is called for with respect to higher risk categories. Decisions taken on establishing relationships with higher risk customers and/or beneficial owners should be taken by senior management.

Prior to the establishment of a business relationship, the insurer should assess the characteristics of the required product, the purpose and nature of the business relationship and any other relevant factors in order to create and maintain a risk profile of the customer relationship. Based on this assessment, the insurer should decide whether or not to accept the business relationship. As a matter of principle, insurers should not offer insurance to customers or for beneficiaries that obviously use fictitious names or whose identity is kept anonymous.

Factors to consider when creating a risk profile, which are not set out in any particular order of importance and which should not be considered exhaustive, include (where appropriate):

- type and background of customers and/or beneficial owner
- the customers and/or beneficial owner's geographical base
- the geographical sphere of the activities of the customer and/or beneficial owner;
- the nature of the activities
- the means of payment as well as the type of payment (cash, wire transfer, other means of payment)
- the source of funds
- the source of wealth
- the frequency and scale of activity
- the type and complexity of the business relationship
- whether or not payments will be made to third parties
- whether a business relationship is dormant

- any bearer arrangements
- suspicion or knowledge of money laundering, financing of terrorism or other crime.

The requirements for customer due diligence should apply to all new customers as well as – on the basis of materiality and risk – to existing customers and/or beneficial owners. As to the latter the insurer should conduct due diligence at appropriate times⁷. In insurance, various transactions or ‘trigger events’ occur after the contract date and indicate where due diligence may be applicable. These trigger events include claims notification, surrender requests and policy alterations, including changes in beneficiaries.

The requirement for an insurer to pay special attention to all complex, unusually large transactions, and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose is essential to both the establishment of a business relationship and to ongoing due diligence. The background and purpose of such transactions should, as far as possible, be examined, the findings established in writing, and be available to the competent authorities. In this respect “transactions” should be interpreted in a broad sense, meaning inquiries and applications for an insurance policy, premium payments, requests for changes in benefits, beneficiaries, duration, etc.

In the event of failure to complete verification of any relevant verification subject or to obtain information on the purpose and intended nature of the business relationship, the insurer should not conclude the insurance contract, perform the transaction, or should terminate the business relationship. The insurer should also consider filing a suspicious transaction report to the Financial Intelligence Unit (“Meldpunt Ongebruikelijke Transacties” (MOT)).

3.2.2 Establishing a business relationship

Before an insurance contract is concluded between customer and insurer there is already a pre-contractual business relationship between these two and possibly other parties. After a policy is taken out:

- the insurer covers a certain risk described in the contract and policy conditions
- certain transactions may take place such as premium payments, payments of advance or final benefits, and
- certain events may occur such as a change in cover or a change of beneficiaries.

The insurer will need to carefully assess the specific background, and other conditions and needs of the customer. This assessment is already being carried out for commercial purposes (determining the risk exposure of the insurer and setting an adequate premium) as well as for reasons of active client management. To achieve this, the insurer will collect relevant information, for example details of source of funds, income, employment, family

⁷ FATF Recommendation 5.

DIRECTIVES

situation, medical history, etc. This will lead to a customer profile which could serve as a reference to establish the purpose of the contract and to monitor subsequent transactions and events.

The insurer should realize that creating a customer profile is also of importance for AML/CFT purposes and therefore for the protection of the integrity of the insurer and its business.

In addition, the beneficial owner should also be identified and verified. For the purposes of this directive the expression beneficial owner applies to the owner/controller of the policyholder as well as to the beneficiary to the contract.

When the identity of customers and beneficial owners with respect to the insurance contract has been established the insurer is able to assess the risk to its business by checking customers and beneficial owners against internal and external information on known fraudsters or money launderers (possibly available from industry databases) and on known or suspected terrorists (publicly available on sanctions lists such as those published by the United Nations).

3.2.3 Transactions and events in the course of the business relationship

The insurer should perform ongoing due diligence on the business relationship. In general the insurer should pay attention to all requested changes to the policy and/or exercise of rights under the terms of the contract. It should assess if the change/transaction does not fit the profile of the customer and/or beneficial owner or is for some other reason unusual or suspicious. Enhanced due diligence is required with respect to higher risk categories. The CDD program should be established in such a way that the insurer is able to adequately gather and analyze information.

Examples of transactions or trigger events after establishment of the contract that require CDD are:

- a change in beneficiaries (for instance, to include non-family members, or a request for payments to be made to persons other than beneficiaries)
- a change/increase of insured capital and/or of the premium payment (for instance, which appear unusual in the light of the policyholder's income or where there are several overpayments of policy premiums after which the policyholder requests that reimbursement is paid to a third party)
- use of cash and/or payment of large single premiums
- payment/surrender by a wire transfer from/to foreign parties
- payment by banking instruments which allow anonymity of the transaction
- change of address and/or place of residence of the policyholder, in particular, tax residence
- lump sum top-ups to an existing life insurance contract
- lump sum contributions to personal pension contracts
- requests for prepayment of benefits

DIRECTIVES

- use of the policy as collateral/security (for instance, unusual use of the policy as collateral unless it is clear that it is required for financing of a mortgage by a reputable financial institution)
- change of the type of benefit (for instance, change of type of payment from an annuity to a lump sum payment)
- early surrender of the policy or change of the duration (where this causes penalties or loss of tax relief)
- request for payment of benefits at the maturity date.

The above list is not exhaustive. Insurers should consider other types of transactions or trigger events, which are appropriate to their type of business.

3.2.4 Methods of identification and verification

This paragraph does not seek to specify what, in any particular case, may or may not be sufficient evidence to complete verification. It does set out what, as a matter of good practice, may reasonably be expected of insurers. Reference is also made to the State Ordinance on the identification for rendering financial services (Lif).

Individuals

In general, the following information should be available:

- full name(s) used
- date and place of birth
- nationality
- current permanent address
- occupation and name of employer (if self-employed the nature of the self-employment)
- specimen signature of the individual
- copy of valid passport, drivers license, or identity card.

Legal persons, companies, partnerships and other institutions/arrangements

The types of measures normally needed to perform CDD on legal persons, companies, partnerships and other institutions/arrangements satisfactorily require identification of the natural persons with a controlling interest and the natural persons who comprise the mind and management of the legal person or arrangement.

FATF recommendation 5 requires, where customers and/or beneficial owners are legal persons or legal arrangements, the insurers to:

- verify that any person purporting to act on behalf of the customer and/or be beneficial owner is so authorized and identify and verify the identity of that person
- verify the legal status of the legal person or legal arrangement, e.g. by obtaining proof of incorporation or similar evidence of establishment or existence, and
- form an understanding of the ownership and control structure of the customer and/or beneficial owner.

DIRECTIVES

Where trusts or similar arrangements are used, particular care should be taken in understanding the substance and form of the entity. Where the customer is a trust, the insurer should verify the identity of the trustees, any other person exercising effective control over the trust property, the settlors and the beneficiaries. Should it not be possible to verify the identity of the beneficiaries when the policy is taken out, verification must be carried out prior to any payments being made.

Sufficient verification should be undertaken to ensure that the individuals purporting to act on behalf of an entity are authorized to do so.

In principle the following documents or their equivalent should be available:

- certificate of incorporation
- the name(s) and address(es) of the beneficial owner(s) and/or the person(s) on whose instructions the signatories of the customer are empowered to act
- constitutional documents e.g. articles of association, partnership agreements
- copies of powers of attorney or other authorities given by the entity.

In all transactions undertaken on behalf of an employer-sponsored pension or savings scheme the insurer should, at a minimum, undertake verification of the principal employer and the trustees of the scheme (if any). Verification of any trustees of the schemes will generally consist of an inspection of the relevant documentation, which may include:

- the trust deed and/or instrument and any supplementary documentation
- a memorandum of the names and addresses of current trustees (if any)
- extracts from public registers
- references from professional advisers or investment managers.

3.2.5 Enhanced measures with respect to higher risk customers and non-cooperative countries and territories

With regard to enhanced due diligence, in general the insurer should consider taking the following measures:

- certification by appropriate authorities and professionals of documents presented
- requisition of additional documents to compliment those which are otherwise required
- performance of due diligence on identity and background of the customers and/or beneficial owner, including the structure in the event of a corporate customer
- performance of due diligence on source of funds and wealth
- obtaining senior management approval for establishing the business relationship
- conducting enhanced ongoing monitoring of the business relationship.

*Politically exposed persons*⁸

The FATF Recommendations require additional due diligence measures in relation to PEP's⁹. For this purpose insurers should:

- have appropriate risk management systems to determine whether the customer is a PEP. The board of directors of the insurer must establish a client acceptance policy with regard to PEPs, taking account of the reputational and other relevant risks involved
- obtain senior management approval for establishing business relationships with such customers
- take reasonable measures to establish the source of wealth and source of funds, and
- conduct enhanced ongoing monitoring of the business relationship.

New or developing technologies

New or developing technologies can be used to market insurance products. E-commerce or sales through the internet is an example of this. Although a non-face-to-face customer can produce the same documentation as a face-to-face customer, it is more difficult to verify their identity. Therefore, in accepting business from non-face-to-face customers an insurer should use equally effective identification procedures as those available for face-to-face customer acceptance, supplemented with specific and adequate measures to mitigate the higher risk.

Non-cooperative countries and territories

Compliance by jurisdictions with the FATF Recommendations is periodically assessed by international bodies¹⁰. Jurisdictions that do not sufficiently apply the FATF Recommendations could be listed by the FATF as NCCT's. In specific circumstances, jurisdictions may be asked to impose appropriate countermeasures¹¹. Insurers should give special attention, especially in underwriting and claims settlement, to business originating from jurisdictions which do not sufficiently apply the FATF Recommendations.

3.2.6 Simplified customer due diligence

⁸ According to the FATF Recommendations Politically Exposed Persons (PEP's) are "individuals who are or have been entrusted with prominent public functions in a foreign country, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials. Business relationships with family members or close associates of PEPs involve reputational risk similar to those with PEPs themselves. The definition is not intended to cover middle ranking or more junior individuals in the foregoing categories".

⁹ FATF Recommendation 6.

¹⁰ Mutual evaluations under the aegis of the FATF or the Financial Sector Assessment Program by IMF/World Bank.

¹¹ FATF Recommendation 21.

DIRECTIVES

In general, the full range of CDD measures should be applied to the business relationship. However, if the risk of money laundering or the financing of terrorism is lower (based on the insurer's own assessment), and if information on the identity of the customer and the beneficial owner is publicly available, or adequate checks and controls exist elsewhere in the system it could be reasonable for insurers to apply, simplified or reduced CDD measures when identifying and verifying the identity of the customer, the beneficial owner¹² and other parties to the business relationship.

Insurers should bear in mind that the FATF lists the following examples of customers where simplified or reduced measures could apply¹³:

- financial institutions – where they are subject to requirements to combat money laundering and the financing of terrorism consistent with the FATF Recommendations, and are supervised for compliance with those controls
- public companies that are subject to regulatory disclosure requirements
- government administrations or enterprises¹⁴.

Furthermore, the FATF states that simplified CDD or reduced measures could also be acceptable for various types of products or transactions such as (examples only):

- life insurance policies where the annual premium is no more than USD/€ 1000 or a single premium of no more than USD/€ 2500
- insurance policies for pension schemes if there is no surrender clause and the policy cannot be used as collateral
- a pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages and the scheme rules do not permit the assignment of a member's interest under the scheme¹⁵.

3.2.7 Reporting of suspicious transactions

If an insurer suspects, or has reasonable grounds to suspect, that funds are the proceeds or a criminal activity or are related to terrorist financing it is required by law to report its suspicions promptly to the MOT.

An important pre-condition of recognition of a suspicious transaction is for the insurer to know enough about the customer and business relationship to recognize that a transaction, or a series of transactions, is unusual.

¹² Interpretative Note no. 9 to FATF Recommendation 5.

¹³ Jurisdictions and/or supervisors should assess from an AML and CFT perspective whether the specific circumstances in their insurance sector allow for the simplified or reduced CDD measures, as presented in this and the following paragraph, to be applied.

¹⁴ Interpretative Note no. 10 to FATF Recommendation 5.

¹⁵ Interpretative Note no. 12 to FATF Recommendation 5.

Suspicious transactions might fall into one or more of the following examples of categories:

- Any unusual financial activity of the customer in the context of his own usual activities
- Any unusual transaction in the course of some usual financial activity
- Any unusual linked transactions
- Any unusual or disadvantageous early redemption of an insurance policy
- Any unusual employments of an intermediary in the course of some usual transaction or financial activity e.g. payment of claims or high commission to an unusual intermediary
- Any unusual method of payment
- Any involvement of any person subject to international sanctions.

3.3 Organization and staff

3.3.1 Risk management

Insurers should have in place programmes and systems to prevent money laundering and the financing of terrorism. Each programme should be sufficiently robust to effectively and efficiently handle the volume of information processed by that insurer. The programmes and systems should constitute an operational, practical and precise approach for dealing with money laundering and terrorist financing. These programmes and systems should be adapted to the group structure, organizational structure (e.g. joint back office), responsibility structure and products and market conditions.

These programmes should include:

- the development of internal policies, procedures and controls which, inter alia, should cover:
 - CDD, the detection of unusual or suspicious transactions and the reporting obligation, and the communication of these policies, procedures and controls to the employees
 - appropriate compliance management arrangements, e.g. at a minimum the designation of an AML/CFT compliance officer
 - record keeping arrangements, and
 - adequate screening procedures to ensure high standards when hiring employees
- an ongoing employee training program
- an adequately resourced and independent audit function to test compliance (e.g. through sample testing) with these policies, procedures, and controls¹⁶.

¹⁶ FATF Recommendation 15 and Methodology for assessing with anti-money laundering and combating the financing of terrorism.

DIRECTIVES

The development of policies, procedures and controls enables the insurer to comply with legislation and to determine the desired standards of CDD for its own organization. In order to be able to verify whether the insurer works in compliance with its internal policies, procedures and controls, an audit function should be in place. It is of importance that the audit function is independent and, if applicable, that the auditor has direct access and reports directly to management and the board of directors.

It is important that the board of directors and senior management of the insurer establish and support the developed internal policies, procedures and controls and the implementation and adherence thereto, implementation of internal AML/CFT measures must constitute a relevant priority to insurers. In addition, the board of directors and senior management of an insurer should be kept regularly informed of all significant matters relating to AML/CFT measures and whether the insurer is suspected of being used to launder money or to finance terrorism. This information should be used to evaluate the effectiveness of the programmes and to take appropriate action.

Compliance management arrangements should include the appointment of a compliance officer¹⁷ at management level¹⁸. The compliance officer should be well versed in the different types of products and transactions which the institution handles and which may give rise to opportunities for money laundering and the financing of terrorism.

Insurers should ensure that:

- there is a clear procedure for staff to report suspicious of money laundering and the financing of terrorism without delay to the compliance officer
- there is a clear procedure for reporting suspicious of money laundering and the financing of terrorism without delay to the MOT, and
- all staff know to whom their suspicions should be reported.

Record keeping

Insurers should keep records on the risk profile of each customer and/or beneficial owner and the data obtained through the CDD process (e.g. name, address, the nature and date of the transaction, the type and amount of current involved, and the type and identifying number of any account involved in the transaction), official identification documents and the account files and business correspondence, for at least ten years after the end of the business relationship.

Insurers should ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records, particularly for higher risk categories of clients or business relationships.

¹⁷ The term compliance officer may in some jurisdictions be referred to as the money laundering reporting officer.

¹⁸ Interpretative notes to FATF Recommendation 15.

3.3.2 Screening of staff¹⁹

Staff should have the level of competence necessary for performing their duties. Insurers should ascertain whether they have the appropriate ability and integrity to conduct insurance activities, taking into account potential conflicts of interests and other relevant factors, for instance the financial background of the employee.

Decisions regarding the employment of key staff should be based on a well founded judgement as to whether they meet fit and proper requirements. Insurers should keep records on the identification data obtained about key staff. The records should demonstrate the due diligence performed in relation to the fit and proper requirements.

3.3.3 Training of staff

Insurers' staff should receive initial and ongoing training on relevant AML/CFT legislation, regulations, guidance and the insurers' own AML/CFT policies and procedures. The training programme should at a minimum include:

- a description of the nature and processes of laundering and terrorist financing, including new developments and current money laundering and terrorist financing techniques, methods and trends
- a general explanation of the underlying legal obligations contained in the relevant laws and regulation, and
- a general explanation of the insurers' AML/CFT policy and systems, including particular emphasis on verification and the recognition of suspicious customers/transactions and the need to report suspicions to the compliance officer.

Employees who, due to their assigned work, need more specific training can be divided into two categories.

The first category of employees is those staff who deal with:

- new business and the acceptance – either directly or via intermediaries – of new policyholders, such as sales persons
- the settlement of claims, and
- the collection of premiums or payments of claims.

They need to be made aware of their legal responsibilities and the AML/CFT policies and procedures of the insurer, in particular the client acceptance policies and all other relevant policies and procedures, the requirements of verification and records, the recognition and reporting of suspicious customers/transactions and suspicion of the financing of terrorism. They also need to be aware that suspicious, should be reported to the compliance officer in accordance with AML/CFT systems.

¹⁹ This section deals with assessment of staff other than directors and managers that are subject to fit and proper testing pursuant to Insurance Core Principles 7 ("Suitability of persons") and the IAIS Guidance paper on fit and proper principles and their application.

DIRECTIVES

A higher level of instruction covering all aspects of AML/CFT policy and procedure should be provided to the second category of staff, including directors and senior management with the responsibility for supervising or managing staff, and for auditing the system. The training should include:

- their responsibility regarding AML/CFT policies and procedures
- relevant laws, including the offences and penalties arising
- procedures relating to the service of production and restraint orders (to stop writing business)
- internal reporting procedures, and
- the requirement for verification and record keeping.

In addition the compliance officer should receive in-depth training concerning all aspects of all relevant legislation and guidance and AML/CFT policies and procedures.

III.6 Prospective Managing Directors and members of the Supervisory Board

The day-to-day policy of a captive insurance company must be determined by at least one natural person, while it should have a supervisory board or a comparable body of at least three natural persons in so far it concerns a legal entity.

In order to safeguard the good reputation of the financial sector of Aruba, the Centrale Bank van Aruba (the Bank) in its licensing procedure, applies certain requirements as to the integrity, knowledge and experience of directors of the captive insurance company. These criteria are also applied in cases where new directors are appointed. In view of these requirements, the Bank may object to the appointment of one or more persons who determine the day-to-day policy of a supervised institution because his, her or their knowledge is considered inadequate to engage in the captive insurance business. Likewise, the Bank may object one or more persons accepting a post involving the (co-) determination of the policy of a supervised institution if, based on the intentions or the past history of that person or those persons, the Bank holds the opinion that the interests of the policy holders of the institution could be jeopardized.

Pursuant to section 7, sub a and b, section 17 of the SOSIB and Section 5, paragraph 1a, of the SDCIC, any appointment of a new managing director and/or member of the supervisory board, needs the Bank's prior written approval. In order to assess the intended appointment in the light of the criteria above, the candidate is required to complete the Bank's questionnaire (Annex 1), sign and return it to the Bank via the institution concerned. A formal request together with the completed questionnaire should be send to the Bank.

The questions must be answered truthfully and as complete as possible. Questions relating to legal proceedings, convictions, refusal of licenses, supervision of payment or bankruptcy must be answered regardless of whether these facts occurred in Aruba or elsewhere and regardless of the nature of the facts (economic or other offenses).

The Bank's decision is taken on the basis of all available information, including that about the nature of the position and of the institutions. The answers to the questionnaire are merely one among many considerations.

Together with the completed questionnaire the applicant must submit a declaration of good conduct.

The Bank informs the institutions concerned of its decision.

The information obtained is covered by the secrecy obligation provided for in Article 23 of the State Ordinance on the Supervision of the Insurance Business.

III.7 Prospective (In-) Direct Shareholders - Natural Persons

Change in shareholding

(Section 31 of the SOSIB/ section 3 of the State Degree regulating changes in ownership)

Pursuant to section 3 of the State Degree regulating changes in ownership any natural person or legal entity needs the Bank's prior written approval to hold, acquire or increase a qualifying holding in a captive insurance company or to exercise any control attaching to a qualifying holding. The prospective shareholder should complete the Bank's questionnaire for prospective shareholder (Annex 1). A formal request together with the completed form should be send to the Bank. If such an interest or control could lead to any influence on the insurance business, which is contrary to sound insurance policy, the Bank may refuse authorization.

According to section 1 of the SOSIB a qualifying holding implies a direct or indirect holding of more than 5% of the issued share capital of an insurer or the ability to exercise directly or indirectly more than 5% of the voting rights in an insurance company or the ability to exercise directly or indirectly a comparable degree of control in the insurance business.

III.8 Directive on the management and reporting of incidents

Management and reporting of incidents²⁰

Directive by virtue of section 10 of the State Ordinance on the Supervision of the Insurance Business (AB 2000 no. 82) (SOSIB) on the management and reporting of incidents that constitute a serious risk for the integrity of an insurance company.

1. General

Within the meaning of this directive, incidents are “incidents that constitute a serious risk for the integrity of the insurance company, if they concern the conduct of an officer or a person who determines the day-to-day policy of the insurance company, or of a holder of a qualifying shareholding in the insurance company or of a natural person or legal entity that performs activities for the insurance company”. In the definition of “incident”, “conduct” is understood to be an act as well as an omission.

It is vital that incidents are handled carefully and that accurate information is provided to the Centrale Bank van Aruba (the Bank) regarding incidents. Incident management is essential for the safeguarding of the integrity of an insurance company. An insurance company must ensure that the risk of disreputable conduct by officers of the company or by persons or legal entities that perform activities for the insurance company, or that have a relationship or wish to enter into a relationship with it, is limited and controlled as far as possible. This means, inter alia, that the internal organization of the insurance company must be set up in such a way that incidents that may prejudice, or have prejudiced, its integrity are detected and recorded, and that corrective measures are taken as a result. Notwithstanding this, an insurance company must take preventive measures based upon risk analysis to control the integrity risks.

2. Policy regarding incidents

2.1 An insurance company shall adopt a policy regarding the management of incidents and this shall include at least:

- a) the administrative recording of incidents;
- b) the method of incident handling to be used;
- c) the reporting of information regarding incidents.

2.2 An insurance company shall ensure that this policy is translated into organizational and administrative procedures and measures. These procedures and measures shall be integrated into the business processes and shall contribute to an integrity-conscious corporate culture.

²⁰ This directive is primarily based on the regulation on incidents at credit institutions and insurance companies issued by the Dutch Central Bank.

3. Administrative recording of incidents

An insurance company shall ensure that incidents are recorded, including at least the characteristics of the incident, information about the person or persons who have brought about the incident, and the measures taken following the incident.

4. Method of incident handling

Following an incident, the insurance company shall take appropriate measures, the aims of which shall be at least to:

- a) control the risk arising;
- b) reinforce the applicable standards;
- c) limit the negative internal and external effects of the incident.

5. Reporting of information to the Bank

5.1 An insurance company shall notify the Bank without delay of incidents if:

- a) the incident has been or will be reported to the judicial authorities;
- b) the continuity of the insurance company is at risk or could be at risk;
- c) there is a serious shortcoming in the set-up and/or operation of measures aimed at safeguarding the integrity of the insurance company;
- d) a serious level of reputational loss by the insurance company is likely, e.g. because of the expected publicity, or
- e) in view of the seriousness, scope and/or other circumstances of the incident, it is reasonable that the Bank should be informed because of its supervisory role.

5.2 The information referred to in section 5.1 shall include at least:

- a) the facts and circumstances of the incident;
- b) information concerning the position, capacity and function of the person or persons who have brought about the incident;
- c) the measures that have been taken or will be taken following the incident.

Annex 1



CENTRALE BANK VAN ARUBA

PERSONAL QUESTIONNAIRE

&

ASSOCIATED GUIDANCE NOTES

April 1, 2020

J.E. Irausquin Boulevard 8 P.O. Box 18 Oranjestad Aruba

www.cbaruba.org

GUIDANCE NOTES

PURPOSE AND SCOPE

The Centrale Bank van A **CBA** is, amongst other things, responsible for the integrity and suitability testing of prospective Key Persons (Candidates) in relation to an entity under its supervision pursuant to:

- the State Ordinance on the Supervision of the Credit System (*Landsverordening toezicht kredietwezen* **SOSCS**)¹;
- the State Ordinance on the Supervision of the Insurance Business (*Landsverordening toezicht verzekeringsbedrijf* **SOSIB**)²;
- the State Ordinance on the Supervision of Money Transfer Companies (*Landsverordening toezicht geldtransactiebedrijven* **SOSMTC**)³; and
- the State Ordinance on the Supervision of Trust Service Providers (*Landsverordening toezicht trustkantoren* **SOSTSP**)⁴;
- the State Ordinance on Company Pension Funds (*Landsverordening ondernemingspensioenfondsen* **SOCPPF**)⁵;
- the State Ordinance on the Supervision of the Securities Business (*Landsverordening toezicht effectenverkeer* **SOSSB**)⁶;
- the State Decree on the Supervision of Insurance Brokers (*Landsbesluit toezicht assurantiebemiddelaars* **SDSIB**)⁷;

(henceforth referred to as the **Supervisory Laws**)

Pursuant to the Supervisory

Person. In this respect, relevant information must be submitted to enable the CBA to assess the integrity and suitability of the Candidate.

These guidance notes seek to assist Applicants and Candidates by clarifying areas of uncertainty that may arise when completing or answering questions contained within this Personal Questionnaire **PQ**.

When assessing integrity the CBA looks at facts and circumstances that are relevant to ascertain if the behaviour of the Candidate is in line with a sound execution of the key position. When assessing suitability the CBA looks at the knowledge, experience and professional conduct of the Candidate as evident from, for instance, education, work experience, competences and their practical application. Suitability testing takes into account the key position, the nature, scope, complexity, and risk profile of the Regulated Entity, and the composition⁸ and functioning of the respective managing or supervisory body as a whole. If the integrity of the Candidate is not beyond doubt and/or the suitability is not sufficient to fulfil the function in question, the CBA can refuse the request for approval of the Candidate in a key position.

¹ Article 5, paragraph 1, subsections a, b and c; and article 9 of the SOSCS.

² Article 6, paragraph 1, subsections a and b; and article 17 of the SOSIB.

³ Article 4, paragraph 1, subsections a, b and c; and article 5, paragraphs 2 and 3 of the SOSMTC.

⁴ Article 3, paragraph 1, subsections b, c and d; and article 5; and article 5a of the SOSTSP.

⁵ Article 4 of the SOCPF.

⁶ Article 19 and article 20 of the SOSSB.

⁷ Article 6 of the SDSIB.

⁸ In the assessment of the composition of the Supervisory Board, the CBA also takes into account the independence requirements as laid down in the Corporate Governance Policy Papers.

For the purpose of this PQ and associated guidance notes:

Applicant includes the Regulated Entity which has filed an application for approval to appoint a Key Person or, in case the application relates to a qualifying holding⁹ in a Regulated Entity, the person who holds or will hold the qualifying holding.

Candidate means the prospective Key Person.

CBA means Centrale Bank van Aruba.

Key Person is

- a. a natural person who is a managing director or a person who otherwise (co)-determines the policy of a Regulated Entity;
- b. a natural person who is a member of the supervisory board or a comparable body of a Regulated Entity;
- c. a holder (natural person) of a qualifying holding in a Regulated Entity (excluding company pension funds) or, in case the holder of the qualifying holding is a legal person, the persons who determine the policy of this legal person.

Regulated Entity includes an entity that is regulated under any of the Supervisory Laws and supervised by the CBA.

PROCESS FOR APPROVAL

The process for approval usually involves at least three parties:

- the Applicant;
- the Candidate;
- the CBA.

After the Candidate and the Applicant have completed the PQ, the Applicant must submit the PQ and all other requested documents to the CBA for its review and approval.

Upon completion of the assessment and after the CBA has reached a conclusion on the integrity and suitability of the Candidate (which may take up to thirteen weeks once all requested information and), the CBA sends its decision to the Applicant. It is very important that the CBA be informed of the proposed commencing date. In this regard it is noteworthy to mention that the Th decision is subject to objection and appeal by both the Applicant and the Candidate in accordance with the provisions of the State Ordinance on Administrative Proceedings (*Landsverordening administratieve rechtspraak*).

⁹ A qualifying holding is a direct or indirect holding of ten percent or more of the issued share capital or the ability to exercise directly or indirectly ten percent or more of the voting rights or comparable control.

Candidate concerned may not act as a Key Person until the CBA has given its written approval.

It should be noted that approval by the CBA always concerns a specific position in relation to a specific Regulated Entity in specific circumstances. If circumstances change (e.g. the Regulated Entity becomes active in a new field of business), or the person concerned is to be appointed in a new Key Person position or in a Key Position at a different Regulated Entity, a new application must be filled out and submitted to the CBA *Continuing obligation to advise the CBA of changes* below).

The CBA reserves the right to request a PQ to be completed if considered to be a Key Person.

REQUIRED INFORMATION

In addition to the PQ, the following documents must be submitted to the CBA as part of the application.

Documents and information to be provided by the Applicant:

- a formal request for the appointment of the proposed Candidate, including the reason(s) for the proposed appointment;
- *Continuing obligation to advise the CBA of changes* concerns in any case the actual assessment that was followed for the recruitment and selection of the Candidate. If a suitability matrix of the body at which the Candidate will become a member is available this must also be submitted;
- the profile of the function concerned. This profile must at least contain information on the tasks and responsibilities (focus areas) and the expected time expenditure, the required knowledge, experience and competences for the function concerned; and
- the Regulated Entity -making process regarding the selection of a Candidate and the considerations that led to the outcome of the selection process. The considerations must indicate the extent to which the Candidate meets the function profile, in terms of knowledge, experience, competences and professional conduct, taking into account the composition and functioning of the body of which the Candidate will become a member.

Documents and information to be provided by the Candidate:

- a certified true copy of the photograph and signature page(s) of passport ensuring that the photograph is clear and the signature legible;¹⁰
- an extract (*uittreksel*) from the Civil Registry (*Bevolkingsregister*) regarding the Candidate not older than two (2) months;
- a declaration of good conduct (*Verklaring omtrent het gedrag*) or an equivalent declaration from the relevant judicial authority from where the Candidate is domiciled, not older than three (3) months;
- a declaration of good standing of the tax authority (*Verklaring van fiscaal gedrag*) from where the Candidate is domiciled, not older than three (3) months.
- copies of the test results of any assessment with respect to integrity or suitability by a regulator (in Aruba or elsewhere) in charge with financial supervision;

¹⁰ This copy must be certified by a Key Person approved by the CBA or a civil notary. The Key Person certifying the copy of
e]

which they have signed.

- copies of certified qualifications (including proof of relevant courses attended);
- t curriculum vitae; and
- if the Candidate holds any direct or indirect financial and/or controlling interest of ten percent or more in another institution, a copy of the the Chamber of Commerce, and the most recent financial statements of that institution.

If the CBA deems it necessary, it may ask the Applicant or Candidate for additional information. Furthermore, the CBA may invite the Candidate for an interview. The CBA may also consult with third parties, such as the references provided by the Candidate, the Chamber of Commerce and Industry Aruba, law enforcement agencies, foreign regulators in charge with financial supervision, tax authorities and any other agencies or persons that may be able to provide relevant information on the Candidate. By submitting and signing this PQ both the Applicant and the Candidate provide their consent to the information gathering by the CBA from third parties.

CONTINUING OBLIGATION TO ADVISE THE CBA OF CHANGES

On an on-going basis, the CBA is to be informed of any changes to information previously submitted in the PQ of the Key Person involved. This obligation lies with the Applicant. On the basis of the new information, or integrity and suitability.

RESIGNATIONS

Should a Key Person cease to fulfill this role, the CBA should be advised by the Regulated Entity of the date that the Key Person ceased acting in this capacity and the reason for such cessation. However, should a person be a Key Person by way of his or her qualifying holding in the Regulated Entity, the CBA should be informed of any change in the qualifying holding by the person holding the (qualifying) holding.

COMMUNICATION WITH KEY PERSONS

The CBA will in principle communicate with the Applicant. However, the CBA may invite the Candidate for an interview and thus have direct contact with this person. Also for clarifications on matters that regard , the CBA may decide to contact the Applicant directly.

GENERAL POINTS

This PQ comprises of 13 sections and each section contains a number of questions. All questions contained in the PQ must be answered.

All responses should be typed or written in blue ink.

Incomplete PQs will be returned to the Applicant for completion and resubmission. The Key Person should initial all amendments to confirm they are correct.

All (other) must be disclosed in the application. Withholding such information may be considered as providing misleading information and as such may have consequences for this application and future applications.

If you have any further questions concerning the completion of this form, you can contact the CBA via e-mail address: informationcenter@cbaruba.org.

SUBMISSION OF THE PQ

After completion, the PQ should be signed by both the Applicant and the Candidate. The Applicant must submit its request for the appointment of the proposed Candidate, including the filled-out PQ and required documents, to the CBA in hardcopy and provide the CBA with an electronic readable version (pdf format) via e-mail address informationcenter@cbaruba.org.



CENTRALE BANK VAN ARUBA

PERSONAL QUESTIONNAIRE

All questions must be answered.

Please refer to the Guidance Notes to aid completion of this Personal Questionnaire.

All responses should be typed or written in **blue ink**.

Any attachments should be clearly referenced to the relevant question(s) and signed by the individual completing the Personal Questionnaire, as confirmation that they are complete and accurate.

The CBA reserves the right to seek references from organizations and individuals named in this Personal Questionnaire, including foreign regulatory authorities. It is important, therefore, to ensure that **full and accurate names, addresses, and contact information** are provided.

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CENTRALE BANK VAN ARUBA

Information to be provided by the Applicant

All responses should be typed or written in **blue ink**.

SECTION 1

1.1 Name and address of the Regulated Entity at which the Candidate will become a Key Person:

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|--|
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|--|

1.2 In which function will the Candidate become a Key Person:

Please provide the job title and a brief description of the role to be undertaken. If the Candidate is to fulfil more than one role, please specify.

| |
|--|
| |
|--|

1.3 Please state the main tasks and responsibilities in respect of the function in which the Candidate will become a Key Person:

| |
|--|
| |
|--|

1.4 Proposed commencement date of the Key Person duties:

Please note that the proposed commencement is a date in the future and cannot be the same date as the Application form due to the fact that only after the to exercise the proposed function.

| | | | | | | |
|-------------|--|--|---------------|--|--------------|--|
| Day: | | | Month: | | Year: | |
|-------------|--|--|---------------|--|--------------|--|

1.5 Provide an overview of the new composition of the Managing Board or Supervisory Board after the appointment and approval of the proposed Candidate.

Please state for each Supervisory Board member whether he/she is independent.

| |
|--|
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|--|

1.6 Mark the relevant boxes to indicate the legislation under which you are seeking approval:

| | |
|---|--|
| State Ordinance on the Supervision of the Credit System | |
| State Ordinance on the Supervision of the Insurance Business | |
| State Ordinance on the Supervision of Money Transfer Companies | |
| State Ordinance on the Supervision of Trust Service Providers | |
| State Ordinance on the Supervision of the Securities Business | |
| State Ordinance on Company Pension Funds | |
| State Decree on the Supervision of Insurance Brokers | |

Information to be provided by the Candidate

All responses should be typed or written in **blue ink**.

Please refer to the Guidance Notes to aid completion of this PQ.

If you need more writing space to answer a question than provided by this PQ, please provide the requested details on a clearly referenced attachment. The answers provided must be legible.

SECTION 2 Personal Details

2.1 Surname:

| | | |
|--|------------------|--|
| | Title(s): | |
|--|------------------|--|

2.2 Given name(s):

| |
|--|
| |
|--|

2.3 Place of birth:

| | | | |
|-------------------|--|----------------|--|
| Town/City: | | Country | |
|-------------------|--|----------------|--|

2.4 Date of birth:

| | | | | | |
|-------------|--|---------------|--|--------------|--|
| Day: | | Month: | | Year: | |
|-------------|--|---------------|--|--------------|--|

2.5 Nationalities and how acquired:

| | | | |
|---------------------|--|------------------|--|
| Nationality: | | Acquired: | |
|---------------------|--|------------------|--|

2.6 Private address (including, if applicable, postal code):

| |
|--|
| |
|--|

Home telephone number:

| | | | |
|---------------------------|--|----------------|--|
| Country/area code: | | Number: | |
|---------------------------|--|----------------|--|

Personal mobile number:

| |
|--|
| |
|--|

Private email address:

| |
|--|
| |
|--|

2.7 Business telephone number:

| | | | |
|---------------------------|--|----------------|--|
| Country/area code: | | Number: | |
|---------------------------|--|----------------|--|

Business fax number:

| | | | |
|---------------------------|--|----------------|--|
| Country/area code: | | Number: | |
|---------------------------|--|----------------|--|

Business email address:

| |
|--|
| |
|--|

2.8 Passport:

| | | | |
|----------------|--|---------------------|--|
| Number: | | Expiry date: | |
|----------------|--|---------------------|--|

| | |
|-------------------------|--|
| Issuing country: | |
|-------------------------|--|

2.9 Have you ever changed your name?

Please include details of any changes to your name, including forenames and surnames, e.g. through marriage.

***YES / NO**

***If YES, please list all previous names (given names and surnames), the dates on which they were changed and reasons for the change.**

| Previous full name(s) & title | Date changed | Registry at which details are recorded | Reason for change |
|--|---------------------|---|--------------------------|
| | | | |
| | | | |

2.10 Have you changed your private address at any time in the previous ten years?

***YES / NO**

***If YES, please give details of each address and the date (mm/yy) on which it changed.**

| Previous address(es) | Date changed |
|-----------------------------|---------------------|
| | |
| | |

2.11 Have you ever changed your nationality?

***YES / NO**

***If YES, please list all previous nationalities, the date, how they were acquired/lost.**

| Previous nationalit(y)(ies) | Date changed | Acquired by | Lost through |
|------------------------------------|---------------------|--------------------|---------------------|
| | | | |
| | | | |

2.12 Please provide the name(s) and address(es) of all banks where you hold accounts.

| Name(s) of bank(s) | Address(es) |
|---------------------------|--------------------|
| | |
| | |
| | |
| | |

2.13

A PEP or Politically Exposed Person means a person who holds or held a prominent public position, as well as direct family members and direct associates of such a person.

***YES / NO**

***If YES, please give details.**

| |
|--|
| |
|--|

SECTION 3 Experience

Not applicable in case the application relates to a (qualifying) holding in a Regulated Entity.

3.1 Please state the number of contracted hours per week or month that you anticipate dedicating to this position.

If this position is not full-time, please explain what other roles and activities will be occupying indicative hours are required.

3.2 Will you be acting as a Managing Director or Supervisory Board Member?

***YES / NO**

*If YES, please provide full details on your role and what particular contribution you will bring. Please use clearly referenced attachments if needed.

*If YES, please also give details of your current day-to-day employment position(s).

3.3 Employment history

Please provide details of your current employment position and your employment history. Your reasons for leaving should be categorised as follows:

1. Resignation;
2. Redundancy;
3. Retirement;
4. Termination/dismissal;
5. End of contract; and
6. Other (please provide details).

Please provide as much contact information as possible on any relevant regulator in order to accelerate the inter-regulatory checks process undertaken by the CBA.

Should you, or the Regulated Entity in relation to whom you will become a Key Person, maintain or have previously maintained a business relationship with any of your previous employers listed, please give details using a clearly referenced attachment.

| Name / address of employer and nature of business | Name of regulator | Position(s) held | Relevant dates (mm/yy) | Reason(s) for leaving |
|--|--------------------------|-------------------------|-------------------------------|------------------------------|
| | | | | |
| | | | | |

3.4 Please provide details of any employment or otherwise important positions, whether paid or unpaid, including memberships of a board or a committee, which you will not resign from when you will become a Key Person.

| Name / address of organization and nature of business or activities | Name of regulator | Position(s) held | Relevant dates (mm/yy) | Task and responsibilities | Total number of contracted hours per week or month that is dedicated to the position |
|--|--------------------------|-------------------------|-------------------------------|----------------------------------|---|
| | | | | | |
| | | | | | |

3.5 Please provide details of relevant professional qualifications, degrees, etc.

Please state the awarding body (to include full name and address), the date the qualification was obtained and provide a copy of the awarding certificate.

| Qualification(s) | Date awarded (dd/mm/yy) | Name & address of awarding body |
|-------------------------|--------------------------------|--|
| | | |
| | | |

3.6 Please provide details of past and current membership of any relevant professional body or organization and the year of admission.

If applicable, please provide details of why your membership ceased.

| Membership details | Date of admission (dd/mm/yy) | Name and address of professional body or organization |
|---------------------------|-------------------------------------|--|
| | | |
| | | |

A relevant professional body or organization would in any case include an organization of fellow professionals.

3.7 Please provide details of your specific experience (knowledge, capabilities, competences, etc.) relevant to the position.

3.8 Please provide three independent references and further details, including their names, positions, addresses, telephone numbers, e-mail addresses and relationship to you (not applicable in case the application relates to a (qualifying) holding in a Regulated Entity).

The references should preferably have affinity with the financial or trust sector and (used to) work as your direct superior(s) or fellow (co-)policymaker(s). At least one of the three references should work for your last/current employer.

Persons who cannot act as references include persons related by consanguinity in a direct or indirect line up to and including relations in the third degree, your (former) spouse or partner.

Listed references must be notified in advance and be prepared to act in such a capacity.

| Name | Position | Address, telephone number(s), e-mail address(es) | Relationship to you |
|-------------|-----------------|---|----------------------------|
| | | | |
| | | | |
| | | | |

SECTION 4 Criminal antecedents

4.1 At any time, have you been considered a suspect in a criminal investigation in Aruba or elsewhere, or do you expect to be considered as such?

***YES / NO**

*If YES, please specify and explain the criminal offence, the state of affairs and the outcome of each case, e.g. still under investigation, conviction, acquittal, discharge from further prosecution, a settlement or (conditional) dismissal of charges. For each case, please provide details, including relevant dates, courts, current status of the proceedings (if still pending), etc.

Please also include traffic offences (minor traffic violations may be excluded).

Traffic offences include:

- joyriding;
- driving under the influence of alcohol or drugs;
- hit-and-run driving;
- driving while under a disqualification order;
- driving during suspension of driving license;
- involuntary manslaughter;
- driving with false license plates.

4.2 Has any institution whose policy is or was (co-)determined by you, e.g. as a managing director or supervisory board member, ever been a suspect in a criminal investigation?

***YES / NO**

*If YES, please specify and explain the criminal offence, state of affairs and the outcome of each case, e.g. still under investigation, conviction, acquittal, discharge from further prosecution, a settlement or (conditional) dismissal of charges. For each case, please provide details, including relevant dates, courts, whether or not proceedings are pending or final, etc.

Where applicable, please explain how you were involved or how the offence related to your responsibilities.

This question includes the indirect (co-)determination of policies of companies through the provision of trust services as defined in Article 1 of the SOSTSP.

4.3 Are you/ have you been involved in any criminal related matters not covered by the previous questions?

***YES / NO**

*If YES, please provide details.

SECTION 5 Personal financial antecedents

5.1 Do your personal financial liabilities stand in a sound relationship, by general standards, to your income and/or personal assets?

***YES/NO**

*If NO, please explain.

5.2 Have you been in any financial problems or personal financial difficulties?

***YES/NO**

*If YES, please explain if these problems have led to any legal, debt collecting or debt recovery proceedings and how this situation was resolved (e.g. suspension of payments petition filed/declared, bankruptcy petition filed/declared, debts rescheduled, agreement with creditors).

5.3 Do you expect, within a year from today, to run into financial difficulties leading to legal, debt collecting or debt recovery steps?

***YES/NO**

*If YES, please explain.

5.4 Are there any other facts or circumstances on your personal financial position that could be of relevance for the integrity assessment?

***YES/NO**

*If YES, please provide details.

SECTION 6 Supervisory antecedents

- 6.1 Have you, or has any institution whose policy is or was (co-)determined by you, ever had a permission, an authorization, a license, an exemption, a dispensation or a registration withdrawn or refused by a (financial) regulator or other authorization-granting entity?**

***YES/NO**

*If YES, please provide details.

- 6.2 Have you, or has any institution whose policy is or was (co-)determined by you, ever had a conflict with a foreign or domestic (financial) regulator that led to a regulatory measure, or do you expect such a situation to develop within the next twelve months?**

***YES/NO**

*If YES, please explain.

- 6.3 Are there any other facts or circumstances with a foreign or domestic (financial) regulator or other authorization-granting entity that could be of relevance for the integrity assessment?**

Examples would be: warning letters, normative conversations, settlement agreements with a foreign or domestic (financial) regulator and withdrawn nomination(s) for appointment.

***YES/NO**

*If YES, please provide details.

SECTION 7 Tax related antecedents

7.1 Have you ever received a tax punitive fine (*fiscale vergrijpboete*) that became irrevocable?

***YES/NO**

*If YES, please provide details.

7.2 Are you currently involved in a procedure that might lead to the imposition of a tax punitive fine?

***YES/NO**

*If YES, please provide details (including the current status of the proceedings).

7.3 Has a tax subject whose policy is or was (co-)determined by you ever received a tax punitive fine that became irrevocable?

This question includes the indirect (co-)determination of policies of companies through the provision of trust services as defined in Article 1 of the SOSTSP.

***YES/NO**

*If YES, please provide details.

7.4 Is a tax subject whose policy is or was (co-)determined by you currently involved in a procedure that might lead to the imposition of a tax punitive fine?

This question includes the indirect (co-)determination of policies of companies through the provision of trust services as defined in Article 1 of the SOSTSP.

***YES/NO**

*If YES, please provide details (including the current status of the proceedings).

7.5 Are there any other facts or circumstances on tax related matters that could be of relevance for the integrity assessment?

***YES/NO**

*If YES, please provide details.

SECTION 8 Business related financial antecedents

8.1 Do you have a direct or indirect interest or relationship with the Regulated Entity as referred to under section 1.1, other than your proposed Key Person position?

A direct or indirect interest may in this case be related by consanguinity or affinity in a direct or indirect line up to and including relations in the third degree, your (former) spouse or cohabitant.

***YES/NO**

*If YES, please provide details.

8.2 Has any institution whose policy is or was (co-)determined by you experienced major financial difficulties?

This question includes the indirect (co-)determination of policies of companies through the provision of trust services as defined in Article 1 of the SOSTSP.

***YES/NO**

*If YES, please explain (legal procedure, suspension of payments, bankruptcy, or other).

8.3 Is there currently a judicial inquiry concerning, or were you ever ordered by a court of law to pay, (unpaid) debts because of liability for the bankruptcy of a legal entity pursuant to the applicable provisions of the Bankruptcy State Ordinance (*Faillissementsverordening*), the Civil Code of Aruba (*Burgerlijk Wetboek van Aruba*) or any similar provisions elsewhere?

***YES/NO**

*If YES, please provide details.

8.4 If you answered question 8.2 or 8.3 affirmatively, please provide any particulars if you were directly involved with the financial difficulties, or with the legal proceedings, suspension of payments, bankruptcy or other, and if you were found liable on what grounds.

8.5 Of which other institutions are you currently a (co-)policymaker?

8.6 Do you hold any direct or indirect financial and/or controlling interest of ten percent or more in an other institution?

Financial interest entails: the equity share or other similar capital providing interest which you have in an institution other than the one you work for or intend to join.

Controlling interest entails: voting rights or another similar type of controlling power at the highest level in an institution other than the one you work for or intend to join.

***YES/NO**

*If YES, please provide details.

8.7 Do these other institution(s), referred to under sections 8.5 and 8.6, maintain a commercial interest with the Regulated Entity as referred to under section 1.1?

***YES/NO**

*If YES, please provide details.

SECTION 9 Other antecedents

9.1 If you are now, or have ever been, a member of a relevant professional body or organization (refer to section 3.6), have any disciplinary or similar measures ever been taken against you?

***YES/NO**

*If YES, please explain (the measures, the organization by which, when, and the reason why).

9.2 Have you ever been involved in a conflict with an employer?

***YES/NO**

*If YES, please provide the name of the employer(s) and explain.

9.3 Relating to any conflict specified under question 9.2, where there any sanctions imposed on you under employment law (e.g., a warning, a reprimand, or dismissal)?

***YES/NO**

*If YES, please explain.

SECTION 10 Holders of a qualifying holding

Complete this section only if you intend to become (a director of) a holder of a qualifying holding in a Regulated Entity.

Pursuant to the Supervisory Laws, the CBA assesses the integrity of the holders of a qualifying holding in the Applicant. In case a holder of a qualifying holding is a legal person, all natural persons determining the day-to-day operations of this PQ.

A qualifying holding is a direct or indirect holding of 10% or more of the issued capital or the right to exercise, directly or indirectly, 10% or more of the voting rights or equivalent control.

10.1 Please provide the following information concerning the prospective qualifying holding in the applicant.

| Name(s) qualifying holder (s) | Address(es) qualifying holder(s) | Shares (%) | Preferred shares (Yes/No) | Priority shares (Yes/No) | Share certificates (Yes/No) | Voting rights (%) | Other form of control (%) | Direct (D) or Indirect (I) |
|-------------------------------|----------------------------------|------------|---------------------------|--------------------------|-----------------------------|-------------------|---------------------------|----------------------------|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

10.2 Please explain your reasons for acquiring or increasing the qualifying holding in the Regulated Entity and your intentions regarding the qualifying holding.

10.3 Please specify any existing relationships between the prospective holder(s) of a qualifying holding mentioned in 10.1 and the existing shareholders of the Regulated Entity.

10.4 Please provide the name(s) and address(es) of all other subsidiaries and affiliates of the prospective holder(s) of a qualifying holding mentioned in 10.1

10.5 Are you or will you be involved in the (co-)determining of the Regulated

***YES/NO**

***If YES, please explain.**

SECTION 11 Miscellaneous questions

11.1 Is there between you and the Regulated Entity any financial relationship which does not ensue directly from your (intended) function or position (e.g. a loan)?

***YES/NO**

***If YES, please explain.**

11.2 At any time in the past, have you been assessed with respect to integrity and suitability by a regulator (in Aruba or elsewhere) in charge of financial supervision?

***YES/NO**

***If YES, please explain (name of regulator, period and result of the assessment).**

11.3 Are you aware of any other facts or circumstances that could reasonably be expected to be of relevance to the CBA when assessing your personal and/or professional qualities?

***YES/NO**

***If YES, please provide full particulars.**

PLEASE DISCLOSE ANY OTHER FACTS THAT YOU CONSIDER MATERIAL TO THIS APPLICATION.

SECTION 12 Checklist additional information and documents

Please check the corresponding box to indicate whether the documents and information listed have been included with your application (reference is made to pages 4 and 5 of the Guidance Notes).

Documents and information to be provided by the Applicant:

A formal request for the appointment of the proposed Candidate, including the reason(s) for the proposed appointment.

policy and procedures.¹¹

The profile of the function concerned.¹²

The decision-making process regarding the selection of a Candidate and the considerations that led to the outcome of the selection process.¹³

Documents and information to be provided by the Candidate:

A certified true copy of the photograph and signature page(s) of passport.¹⁴

An extract (*uittreksel*) from the Civil Registry (*Bevolkingsregister*) regarding the Candidate not older than two (2) months.

A Declaration of Good Conduct (*Verklaring omtrent het gedrag*) or an equivalent declaration from the relevant judicial authority from where the Candidate is domiciled, not older than three (3) months.

A declaration of good standing of the tax authority (*Verklaring van fiscaal gedrag*) from where the Candidate is domiciled, not older than three (3) months.

T
(in Aruba or elsewhere) in charge with financial supervision. tor

T (including proof of relevant courses attended).

If the Candidate holds any direct or indirect financial and/or controlling interest of ten percent or more in another institution, a copy of extract from the Chamber of Commerce, and the most recent financial statements, of that institution.

¹¹ This concerns in any case the actual assessment that was followed for the recruitment and selection of the Candidate. If a suitability matrix of the body at which the Candidate will become a member is available this must also be submitted

¹² This profile must at least contain information on the tasks and responsibilities (focus areas) and the expected time expenditure, the required knowledge, experience and competences for the function concerned

¹³ The considerations must indicate the extent to which the Candidate meets the function profile, in terms of knowledge, experience, competences and professional conduct, taking into account the composition and functioning of the body of which the Candidate will become a member.

¹⁴ This copy must be certified by a Key Person approved by the CBA or a civil notary. The Key Person certifying the copy of the

which they have signed.

SECTION 13 Declaration(s)

The Candidate

I am aware that withholding information may be considered as providing misleading information and as such may have consequences for this application and future applications.

I am also aware that it is a criminal offence to knowingly or recklessly provide any information which is false or misleading in connection to this PQ.

I confirm that the information in this form and any attachment is accurate and complete to the best of my knowledge and belief.

I agree to provide details of any changes to information in this form and any attachment immediately to the CBA.

I authorize the CBA to make such enquiries and to seek further information as it deems appropriate to verify the information given in this form. In particular, I consent to the CBA carrying out a judicial record check on any unspent convictions and convictions for relevant offences that I may have, conducting checks with other regulators, companies and institutions stated in this Personal Questionnaire and using external data sources.

I confirm that I fully understand my role(s), responsibilities and accountabilities under the Supervisory Law(s) to which this PQ relates.

Signed:

| |
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| |
|--|

Date:

| |
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| |
|--|

Name (BLOCK CAPITALS):

| |
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The Applicant (*Only in case the Applicant is not the same person as the Candidate.*)

I confirm to have completed Section 1 of the PQ fully and truthfully.

I declare to be authorised to represent the Applicant named under 1.1.

Signed:

| |
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Date:

| |
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Name (BLOCK CAPITALS):

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|--|
| |
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Position:

| |
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Annex 2

CENTRALE BANK VAN ARUBA

**DEED OF APPOINTMENT REPRESENTATIVE
OF CAPTIVE INSURANCE COMPANIES**

For the implementation of Section 5 paragraph 3 of the State Decree Captive Insurance Companies (AB 2002 no.50) in conjunction with Section 7, sub a, c and d and section 17 of the State Ordinance Supervision Insurance Business (SOSIB) (AB 2000 no. 82)

DECLARATION

Please print or type

Name of the licensed captive insurance company

Domiciled in
(Address and country of the insurance company)

Which by virtue of the articles of incorporation / or by virtue of a written letter of representation issued by its authorized corporate body is represented by:

Mr. / Mrs.
(Name of the company officer representing the captive insurance company)

In his/her capacity as
(Position of the officer who signs the declaration)

Hereby declares:

a. That as from:
*(The date of appointment of representative:
the date cannot commence before termination
of the appointment of the former
representative)*

It appoints:
Natural personⁱ/ Legal entityⁱⁱ
*(Name of the natural or legal entity
appointed as representative)*

Name of representative:

Residing at:
*(Complete residential address of the
representative)*

And holding office at:
*(Complete corporate address of the
representative)*

as representative of above mentioned captive insurance company, according to Section 5 paragraph 3 of the State Decree Captive Insurance Companies (AB 2002 no. 50) in order to exercise all its authorities regarding captive operations in Aruba and to comply on its behalf with the provisions of the SOSIB and said State Decree.

b. that when completing this deed it will comply with existing and future rules, regulations and formalities required by its country of domicile and place of incorporation for the validity of this appointment. By co-signing this deed the representative declares to have accepted this appointment.

On this day of, 2006

Authorized Officer

Appointed representative

Name and Title

-
- ⁱ If the representative is a natural person, he/she must submit an extract from the population Register of the Civil Registry.
 - ⁱⁱ If the representative is a legal entity, it must submit an authentic transcript of the Articles of Incorporation and By-laws of the legal entity and a recent Certificate (not older than 6 months) of its registration in the trade register at the Chamber of Commerce and Industry of Aruba.