



ARDAN
INTERNATIONAL

Guide to anti-money laundering



Introduction

The Isle of Man Financial Services Authority (“Authority”) is the regulatory body for the financial sector in the Isle of Man. The objectives of the Authority are to secure an appropriate degree of protection for the customers of financial services providers, the reduction of financial crime and the maintenance of confidence in the Island’s financial sector through effective regulation.

The Authority is fully committed to continually reviewing the Island’s legislation and regulations against the applicable international standards in relation to anti-money laundering and the countering of terrorist financing. Under both the Island and international legislation, Ardan International Limited (“AIL”) is required to fully understand the identity of its customer and to also understand the accumulation of its source of wealth.

In order to achieve this AIL will request anti-money laundering documentation to meet its legal and regulatory obligation.

Why do we carry out these checks?

These requirements are designed to help identify suspicious transaction activity which could be linked to money laundering and/or terrorist financing.

What is money laundering?

Money laundering is the process by which illegally obtained funds are passed through a series of financial transactions in order to make it difficult to trace funds back to their criminal origins.

What is terrorist financing?

Terrorist activity financing may involve funds raised from legitimate sources such as personal donations, profits from businesses and charitable organisations, as well as from criminal sources, such as the drug trade, the smuggling of weapons and other goods, fraud, kidnapping and extortion.

What are the implications?

If an individual and/or organisation is/are found to have taken part in, or assisted in, money laundering or terrorist financing the penalties are severe. These range from reputational damage to fines and/or imprisonment and loss of licence to conduct business activity within the finance and investment sector.

Tax evasion

Tax evasion is the general term for efforts by individuals, corporations, trusts and other entities to evade taxes by illegal means. Tax evasion usually entails taxpayers deliberately misrepresenting or concealing the true state of their affairs to the tax authorities to reduce their tax liability. Another activity commonly used for evading tax liabilities is using several small payments to avoid triggering cash reporting thresholds. Tax evasion is an activity commonly associated with the informal economy and one measure of the extent of tax evasion is the amount of unreported income, namely the difference between the amount of income that should legally be reported to the tax authorities and the actual amount reported, which is also sometimes referred to as the tax gap.

GUIDANCE ON ANTI-MONEY LAUNDERING

This includes verification of identity, residential address and source of wealth.

Requirements for individual applicants

Proof of identity and residential address are required for all applicants.

- All ID documents MUST be current (not expired) and bear a photograph and signature of the applicant where possible
- All ID documents MUST be suitably certified in accordance with the suitable certifier rules detailed on page 4
- All ID documents should show the following information:

Proof of identity

- ID number
- Name of holder
- Date of birth
- Nationality and signature
- Photograph
- Place of issue
- Issuing authority
- Date of issue and expiry

Note: if the client holds a passport where the signature is not part of the main details/photo page, we also require a certified copy of the signature page in addition to the certified copy of the main details/photo page.

Note: if the signature on the signature page of the passport has changed, we will require a specimen signature form.

Requirements for corporate applicants

All documents MUST be suitably certified in accordance with the suitable certifier rules on page 4. The list of documents are:

- Certificate of incorporation or equivalent document
- Memorandum & articles of association
- Shareholder register or equivalent document
- List of directors
- Details as to whether the company is regulated
- Authorised signatory list on company letterhead (optional – original list of signature(s) or original true certified copy)
- Corporate structure chart
- Latest set of accounts
- Proof of identify and address verification dated within the last 6 months for:
 - Shareholders holding more than 25% or more of the share capital of the company
 - All directors, if different to shareholders
 - All authorised signatories, if different to shareholders/ directors
 - Any platform on-line user
- If a shareholder is a company, due diligence is required on this company

Proof of residential address – list A

- Latest bank account or credit card statement (for e-statements, we do not accept a print screen but will accept a downloaded statement converted to a PDF that doesn't need to be certified)
- Utility, rates or council tax bill (we do not accept a copy but will accept a downloaded bill converted to a PDF that does not need to be certified). Mobile telephone bills are not acceptable.
- Current driving licence issued by a government body
- Proof of ownership or rental at current residential address
- Mortgage statement
- Tax assessment document
- Proof of payment for a PO Box service (which must also show the residential address) where the PO Box shown is also the correspondence address of the applicant

Documents not available in applicant(s) name to prove residential address – list B

Where the applicant resides in corporate accommodation, shared accommodation or is in part-time employment, a letter from his/her employer must state his/her full residential address including the PO Box number. We also require a suitably certified residency visa. This should show the name of the employer. One document from list A is required to verify the PO Box address.

Where the applicant is sponsored by a spouse, we require a suitably certified marriage certificate and residency visa. In the event the spouse is not an existing client of ALL, we will require suitably certified proof of identity and residential address for the sponsor.

The list of acceptable documents is not exhaustive. To check if other forms of verification are acceptable, please contact us.

Source of wealth

ALL is committed to the international effort to detect and prevent financial services being used to launder the proceeds of crime or to support the financing terrorism. To help with this, we must comply with legal and regulatory obligations in taking a risk-based approach to obtaining information about how our clients have acquired the wealth they will use to make investments or additional portfolio contributions. In some circumstances we require documentary evidence to support the clients' source of wealth description. Please see below examples.

| Generic description of source of wealth | Details required in application form | Additional documentation |
|---|---|---|
| Lottery/betting/casino win | Date of win Total amount Details of which organisation | Letter from relevant organisation (Lottery headquarters/betting shop/casino) Or Certified copy of bank statement clearly showing the receipt of winnings Copies of media coverage (if applicable) as supporting evidence |
| Property sale | Address of property Date of sale Total amount received | Signed letter from solicitor Or Signed letter from estate agent (if applicable) Or Certified copy of completion contract |
| Inheritance | Received from Relationship to benefactor Date received Total amount received | Grant of Probate (with a copy of the will) which must include the value of the estate. Or Solicitor's letter |
| Company sale | Name of company Date of sale Total amount received Principal activity of company Applicant's share of sale proceeds | Signed letter from a solicitor Or Signed letter from regulated accountant Copies of media coverage (if applicable) as supporting evidence |
| Gear loan | Date of loan Total amount Name & nature of loan provider | Certified copy of loan agreement Or Certified copies of loan statements |

| Generic description of source of wealth | Details required in application form | Additional documentation |
|---|---|--|
| Gift | Date received Total amount received Reason for gift Relationship to benefactor | Letter from Donor confirming details of gift and acknowledging the source of the donated funds Verification of the identity of Donor Donor's source of wealth – requirements of evidence as stated above for each source of wealth given. |
| Income from Employment Normal and/or bonus | Annual income for the last 2 years Name of employer Nature of employers business | Last 3 months' payslips Or Confirmation from employer of income Or Copy of recent accounts if self employed Or Bank statement that clearly shows receipt of the most recent three months' regular salary payments from the named employer. |
| Other income | Nature of the Income From who Total amount received Date received | Dependent of source of other income e.g. Maintenance payment: then copy of court order Or Certified copies of supporting documentation Or Signed letter detailing funds from a regulated accountant |
| Sale of shares | Date funds received From which company How long held Total amount received | Certified copy of redemption certificate |
| Maturing investments or policy claim | Date funds received From which company Total amount received | Certified copy of closing statement Or Letter confirming surrender |
| Compensation payment | Date received Total amount received Reason for payment | Solicitor's letter Court order |
| Company profits | Company profits for the last 2 years Industry company operates in | Copy of the latest accounts or letter from regulated accountant giving details of company profits over the last 2 years |

Politically Exposed Person

If the applicant, or any other party connected to the application either now or in the past/future, could be classed as a potentially exposed person (PEP), or connected with a PEP, we will require details.

A PEP is someone holding an important public position, or a person clearly related to them. Examples of these are but not limited to:

- Heads of State of Government
- Senior politicians
- Senior Government officials
- Judicial or military officials
- Senior executives of publicly owned corporations
- Important political officials

THIRD PARTY PAYMENTS REQUIREMENTS

We do not accept payments from a money exchange.

Payments from a Third Party are considered on a risk-basis therefore we suggest you contact us for guidance.

FOREIGN DOCUMENTS AND TRANSLATION

All documents and certifications must be translated into English and certified as an accurate translation of the original document. We require both the original and translated document to be certified and all verification statements must be in English.

CERTIFICATION OF DOCUMENTS

All copies of original documentation must be properly certified. Improper certification could lead to delays. You must have seen the original document, before you can certify a copy of that document. Certification should take the form of:

- I. A statement: "I certify this document to be a true copy of the original" (or words to similar effect);
- II. The full printed name of the person performing the certification;
- III. The signature of the person performing the certification;
- IV. The date the document was certified which must be within 6 months
- V. The position or capacity of the certifier; and
- VI. Email and contact number of the certifier

If the document is more than one page the certifier can either:

- certify each page individually, or
- complete passport/identity card & proof of address verification form, which is available upon request

MOST COMMON CERTIFIERS

The most common suitable certifiers are:

- A suitable certifier approved by AIL
- An authorised representative of an embassy or consulate of the country who issued the identification document
- Notary public
- Lawyer, solicitor, advocate or attorney
- Commissioner of Oaths within a recognised jurisdiction
- Accountant who is a member of an institute or other professional organisation, which imposes on its members a requirement to abide by AML obligations
- A director or manager of an authorised credit or financial institution located and regulated in an equivalent jurisdiction to the Isle of Man
- A bank official
- A registrar or other civil or public servant authorised to issue or certify copy documents

If you cannot have your documents certified by one of the above, please contact us.

HOW TO REACH US

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