

Source of funds procedure



Guidance notes for Ardan

This document sets out Ardan's source of funds procedures, including what documentary evidence is required to support the source of funds information supplied in the Application Form.

Source of funds includes both the activity that generated the funds as well as the means through which the funds have been transferred.

The current legislation and guidance requires all Isle of Man Companies to "take reasonable measures to establish the source of funds for all customers when entering a new business relationship". This reflects the Isle of Man's commitment to maintain the highest possible standards of business practice and

to counter money laundering and the financing of terrorism.

Ardan has adopted a risk-based approach to comply with current legislation and guidance by risk rating each client as representing Standard, Higher or High risk. This depends on the jurisdiction they are based in, the jurisdiction where the payment is to be transferred from and the investment amount. We have categorised each jurisdiction according to their level of compliance with international regulatory standards.

Please be aware that the countries listed in this document are subject to change with immediate effect at the absolute discretion of Ardan.

Important

The inclusion of a country on this list does not signify that Ardan will accept business from that country.

Ardan reserves the right to request further documentary evidence at any time.

A client's total investment is the sum of:

- their initial investment
- plus any one-off future investments, or the annualised amount of any regular investment, if proposed.

Investment thresholds

Currency	Amount
GBP	90,000
USD	125,000
EUR	105,000
CHF	115,000
AUD	160,000
HKD	960,000
JPY	13,500,000
AED	450,000
CAD	155,000
ZAR	1,800,000
SGD	165,000

STANDARD RISK

To qualify as Standard Risk Business the client is either:

- applying for a portfolio and is both resident in a standard risk country and sending their payment from a standard risk country.
- making a total investment* which falls below the investment thresholds.
- a regulated trust/ pension company.

For standard risk business no documentary evidence is required.

* Please see the Important section on page 1 for a definition of “total investment”.

Standard Risk Countries

Albania	Andorra	Anguilla	Antigua & Barbuda
Argentina	Armenia	Aruba	Australia
Austria	Azerbaijan	Bahamas	Bahrain
Bangladesh	Barbados	Belgium	Belize
Bermuda	Bhutan	Bosnia and Herzegovina	Botswana
Brazil	British Virgin Islands	Brunei	Cambodia
Canada	Cayman Islands	Chile	China
Colombia	Cook Islands	Costa Rica	Cyprus
Czech Republic	Denmark	Dominica	Dominican Republic
East timor	Ecuador	El Salvador	Estonia
Fiji	Finland	France	Gambia
Georgia	Germany	Ghana	Gibraltar
Greece	Grenada	Guatemala	Guernsey
Guyana	Honduras	Hong Kong	Hungary
Iceland	India	Indonesia	Ireland
Isle of Man	Israel	Italy	Japan
Jersey	Jordan	Kazakhstan	Korea (South)
Kosovo	Kuwait	Latvia	Lesotho
Liechtenstein	Lithuania	Luxembourg	Macau
Macedonia	Malawi	Malaysia	Malta
Marshall Islands	Mauritius	Mexico	Micronesia
Monaco	Mongolia	Montenegro	Morocco
Netherlands	New Zealand	Nicaragua	Norway
Oman	Panama	Paraguay	Peru
Poland	Portugal	Puerto Rico	Qatar
Romania	Rwanda	Saint Lucia	Saint Vincent and Grenadines
Samoa	San Marino	Saudi Arabia	Serbia
Seychelles	Singapore	Slovakia	Slovenia
Spain	Sri Lanka	Sweden	Switzerland
Taiwan	Thailand	Trinidad and Tobago	Tunisia
Turks and Caicos Islands	United Arab Emirates	United Kingdom	Uruguay
USA	Uzbekistan	Vanuatu	Vatican City
Zambia			

HIGHER RISK

A client will be categorised as higher risk if the total investment* is in excess of the investment thresholds listed on page 2 and they are either:

Documentary evidence of source of funds must be supplied for higher risk business.

- resident in a higher risk country; or
- sending their payment from a higher risk country.

* Please see the Important section on page 1 for an definition of "total investment".

Higher Risk Countries

Afghanistan	Algeria	Angola	Belarus
Benin	Bolivia	Bosnia and Herzegovina	Bulgaria
Burkina Faso	Burundi	Cameroon	Cape Verde
Central African Republic	Chad	Comoros	Congo (Democratic Republic)
Congo (Republic of)	Cote d'Ivoire/Ivory Coast	Croatia	Cuba
Djibouti	Egypt	Equatorial Guinea	Eritrea
Eswatini (Swaziland)	Ethiopia	Gabon	Guinea
Guinea Bissau	Haiti	Iraq	Jamaica
Kenya	Kyrgyzstan	Lao PDR/Laos	Lebanon
Liberia	Libya	Madagascar	Maldives
Mali	Mauritania	Moldova	Montserrat
Mozambique	Namibia	Nepal	Niger
Nigeria	Pakistan	Palestine	Papua New Guinea
Philippines	Russia	Sao Tome and Principe	Senegal
Sierra Leone	Soloman Islands	Somalia	South Africa
South Sudan	Sudan	Suriname	Syria
Tajikistan	Tanzania	Togo	Tonga
Turkey	Turkmenistan	Uganda	Ukraine
Venezuela	Vietnam	Yemen	Zimbabwe

HIGH RISK

Where the client is classified as a PEP (politically exposed person) they must supply both source of funds evidence and also their entire source of wealth by completing the supplementary "source of wealth" form.

**SUGGESTED DOCUMENTARY EVIDENCE FOR SOURCE OF FUNDS
FOR HIGHER OR HIGH RISK CATEGORISED BUSINESS**

Generic description of Source of Funds	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
Geared loan	Date of loan Total amount Name and nature of loan provider	Certified copy of loan agreement Or Certified copies of loan statements
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 funds – requirements of evidence as stated above for each source of funds 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

Generic description of Source of Funds	Details required in application form	Additional documentation
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