

# International Regulations & Compliance

## Please Help Us Help You

The purpose of International Financial Crime Legislation is to detect and stop the circulation of money that comes from illegal activities such as drug and human trafficking, extortion and other illegal activities including corruption, racketeering and the financing of terrorism.

The purpose of these laws is to bring about a safer world for us all. However, the implementation of such Legislation brings with it additional administrative requirements which clients must meet when setting up and maintaining international bank accounts, investments, life insurance and pensions.



### Administrative Impact & Service

The impact of this ever-evolving Legislation is; a) clients are required to provide more information at the point of account set-up, b) it takes longer to set-up accounts and c) we are required to review and update client information on a regular basis and when certain events occur such as additional contributions or benefit payments.

This can easily be interpreted as bureaucratic or poor service, but nothing is further from the truth. Both your adviser and ourselves apply our utmost endeavours to finalise the regulatory compliance requirements as efficiently as we can. We provide detailed guidance and check lists in respect of the regulatory requirements. We also offer telephone support which can be used to check any aspect where a client or adviser may be unsure of the requirements.

### A Robust Process

The process of complying with international requirements can be frustrating even though the intention of the regulations is to protect, and not to frustrate.

Different information is required depending on how you are contributing to an account and how your overall wealth has been derived e.g. wealth can come from employment, bonuses, inheritance, sale of property or business, a windfall, distribution from a trust or a combination thereof.

Each different Source of Wealth (SOW) requires detailed information and documentation to be provided.

On occasions, we may need to clarify certain points or request additional information from you and your adviser. International regulations stipulate that we must be fully satisfied with the Source of Wealth and Source of Funds of a client, and we must be able to demonstrate this.

### An insight into the process

We are required to understand you and your background, the origin of the funds you are placing with us, how you have created your wealth and the flow of funds into your account. We must also identify any specific 'risk factors' as prescribed by regulation. Risk factors include an association with a country that has high perception of corruption, poor legal framework and prosecution of financial crime, the sanctions against the regime or state sponsoring of terrorism or harbouring of terrorists. Government contracts and transactions may be considered high risk, as would people who are employed in extraction industries, infrastructure, arms manufacturing and other sectors involved with Government negotiations and public policy. Traditionally these (and other) sectors have been susceptible to high levels of corruption.

The more detailed information that a client can provide at outset the quicker the process will be. Some of the information we need is captured on our application form but certain documentary evidence is required, which can

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include bank statements, valuations, copies of wills etc. Where your affairs are complicated, your adviser should also provide a supporting memo to assist us.

It will take a number of weeks, depending on the complexity of your affairs, to set-up a new account. We will regularly update your adviser so that he/she can keep you informed about the progress of your application.

### Compounding Factors

Where a certain factor or multiple factors are present, it potentially requires us to undertake ongoing enhanced due diligence so that we can demonstrate a client is not involved in the financing of terrorism or other illegal activities.

Where such ongoing due diligence is required, this creates an additional cost to both us and our clients. Should it transpire that your circumstances fall within such parameters, we will notify you and your financial adviser of these and of any additional cost involved.

### You are not a criminal

Some people feel the due diligence that we undertake makes them feel like a criminal. We can assure you that is not the intention of the process and that all clients are treated the same. Consider these policies like the security measures you find at international airports, (which are designed to protect us), but from a financial perspective.

### Data Security

All information that you provide to us is dealt with in the strictest confidence. We are bound by international Data Protection and Privacy laws which require us to only use information for the purpose for which it is provided. In addition, we utilise sophisticated technology and secure physical environments to protect your information.

Ultimately, this process is good for everyone. It helps stop criminals and the financing of terrorism. Please remember that this is what the regulations are designed to achieve

**If you have any questions about the Financial Crime process, please contact your financial adviser.**

## Key Notes

- **The development of Financial Crime regulation has tightened the due diligence required when setting up and maintaining international bank accounts, investments and pensions**
- **Our administrators aim to achieve a balance between complying with necessary regulations and making the process as transparent as possible for our clients**
- **In certain circumstances, your account may be subject to ongoing enhanced due diligence requirements, which creates extra costs.**
- **The intention of the regulations is to make the world a safer place.**

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