

## CLIENT GUIDANCE NOTES ON SOURCE OF WEALTH & SOURCE OF FUNDS

### Important – please read these Guidance Notes carefully

As a regulated service provider in Guernsey we are required to gather information and undertake checks designed to ensure that funds and other entities that we service are not used for money laundering, the financing of terrorist activities or other purposes connected with financial crime.

In certain cases we need to better understand and evidence the **source of your wealth**. By “source of wealth”, we mean the activities that have generated your total net worth. Examples of these sources include (but are not limited to) earnings from employment, the sale of a business and an inheritance. We also need to understand the **source of the funds** that you are using for a specific transaction. By “source of funds” we mean the activities that have created the liquidity for a specific transaction. Examples include (but are not limited to) the sale of a property, dividend income, and the sale or realisation of an investment.

The purpose of these Guidance Notes is to inform you about the information that you need to provide to us. Once we have reviewed the information you have provided to us we may seek additional documents from you to evidence or otherwise clarify the information you have provided. We may also ask you about the source of funds for a specific transaction.

The list below is not intended to be exhaustive and is intended as a guide only.

Source of origin of your wealth and/or source of funds	Information that you need to provide to us	Documentary evidence that we may require
Proceeds from the sale of a company or business	<ul style="list-style-type: none"> <li>* Name and nature of the company or business</li> <li>* Date of sale</li> <li>* Sale amount</li> <li>* Applicant's % share</li> </ul>	One of the following; <ul style="list-style-type: none"> <li>* signed letter from solicitor/lawyer; or</li> <li>* signed letter from regulated accountant; or</li> <li>* copy of contract of sale and sight of investment monies on bank statement; or</li> <li>* copies of media coverage (if available) as supporting evidence (acceptance of media coverage will be subject to quality of data source and assessed on a case by case basis).</li> </ul>
Income from employment - salary/bonus	<ul style="list-style-type: none"> <li>* Employer's name and address</li> <li>* Employer's telephone number</li> <li>* Income/bonus each year</li> <li>* Share incentives received</li> </ul>	One of the following or equivalent; <ul style="list-style-type: none"> <li>* original copy of recent payslip (or bonus payment); or</li> <li>* Written confirmation of annual salary signed by employer/accountant; or</li> <li>* recent accounts if self-employed (must be</li> </ul>

		<p>audited by a qualified accountant; or recent company bank account statement; or</p> <ul style="list-style-type: none"> <li>* bank statement clearly showing receipt of most recent three months' regular salary</li> <li>* payments from named employer, or their client</li> </ul>
Business Ownership	<ul style="list-style-type: none"> <li>* Description of the business and its operations</li> <li>* Identifying the geographic operating jurisdiction(s) of the business</li> <li>* Percentage of ownership in the business</li> <li>* Assessment/analysis of the value of ownership interests and whether the SoW is commensurate to the stated value</li> </ul>	<p>One of the following;</p> <ul style="list-style-type: none"> <li>* Commercial register of shareholding</li> <li>* Audited Annual Report/Financial Statements</li> </ul>
Inheritance	<ul style="list-style-type: none"> <li>* The receipt date</li> <li>* The form of inheritance (e.g. specified physical assets)</li> <li>* Total amount/value</li> <li>* The identity of the benefactor (deceased) and their business activities</li> <li>* The relationship of the individual (heir) to the benefactor. Usually this will be based on a familial relationship.</li> </ul>	<p>One of the following;</p> <ul style="list-style-type: none"> <li>* grant of probate (with a copy of the Will) which must include the value of the estate; or</li> <li>* the Will; or</li> <li>* signed letter from solicitor/lawyer in an equivalent jurisdiction</li> </ul>
Proceeds from the sale of a property	<ul style="list-style-type: none"> <li>* Details/address of property</li> <li>* Date of sale</li> <li>* Total sale amount</li> <li>* Client's percentage of sale proceeds</li> <li>* Documentary evidence of the initial way the property was funded (e.g. family inheritance, outright purchase, etc.)</li> </ul>	<p>One of the following or equivalent;</p> <ul style="list-style-type: none"> <li>* signed letter from solicitor/lawyer or regulated accountant; or</li> <li>* copy of sale contract; or</li> <li>* Public sources, where available (e.g. Zoopla, reputable news outlets – Forbes, Bloomberg, etc.)</li> </ul>
Savings	<ul style="list-style-type: none"> <li>* Details of how savings accumulated</li> <li>* Total amount</li> <li>* Number of years' saving</li> </ul>	<ul style="list-style-type: none"> <li>* Copy of account statement(s) reflecting income or other source of savings, or</li> <li>* Bank statements showing inflows from the employer/pension/annuity and the savings accumulation over a period of time</li> </ul>

Gifts*	<ul style="list-style-type: none"> <li>* Total amount</li> <li>* Details of benefactor</li> <li>* The date of the gift, transfer method and the parties involved</li> <li>* Reason for gift</li> <li>* Relationship to benefactor</li> <li>* Source of donated funds</li> </ul>	<ul style="list-style-type: none"> <li>* Letter from donor confirming details of the gift and acknowledging the source of the donated funds</li> <li>* Written confirmation from a professional person or organisation to confirm the identity of the donor, their relation to the client and the value of the donation</li> <li>* Dependent on origins of wealth specified, the donor may need to provide supporting documentation as per the provision of this table</li> <li>* Bank statement showing payment of asset from benefactor to client</li> </ul>
Investment Income	<ul style="list-style-type: none"> <li>* Details of investment (e.g. the type of investment activity, size of the original investment in relation to the return)</li> <li>* Sale value of investments sold and description thereof</li> </ul>	<p>One of the following;</p> <ul style="list-style-type: none"> <li>* Investments/savings certificate, contract notes or statements, or</li> <li>* Confirmation of the sale/holding signed by accountant/broker, or</li> <li>* Confirmation from the relevant investment company, or</li> <li>* Copy of the share release schedule, or</li> <li>* Copy of bank account statement, or</li> <li>* Certified copy of contract note(s)</li> </ul>
Divorce Settlement	<ul style="list-style-type: none"> <li>* Confirmation of divorce settlement amount</li> </ul>	<ul style="list-style-type: none"> <li>* Written confirmation of settlement signed by advocate/solicitor</li> <li>* Public sources, where available (e.g. reputable news outlets, Bloomberg, Forbes, etc.)</li> <li>* Certified copy of court order</li> </ul>
Betting or Lotteries	<p>For one-off bets/lottery wins:</p> <ul style="list-style-type: none"> <li>* The date and size of the winnings (e.g. the certified copy of the letter from the lottery or gambling firm/venue); and</li> </ul>	<ul style="list-style-type: none"> <li>* Written confirmation of betting/lottery winnings signed by solicitor/accountant</li> <li>* Evidence from the lottery company, e.g.</li> </ul>

	* The identity, legitimacy and standing of lottery or gambling firm/venue.	winnings receipt, copy of winnings cheque)
Pension Release and pension payments	* Monetary value of the pension release * Date of receipt	* Written confirmation of pension release signed by solicitor/accountant * Pension release documentation * Copy of bank account statement