



# **The ID Register**

## Guide to Enhanced Due Diligence

November 2019



## **Contents**

## **Page**

Introduction

3

Evidentiary Requirements

4

Enhanced Due Diligence - Indicative Risk Factors

11

## INTRODUCTION

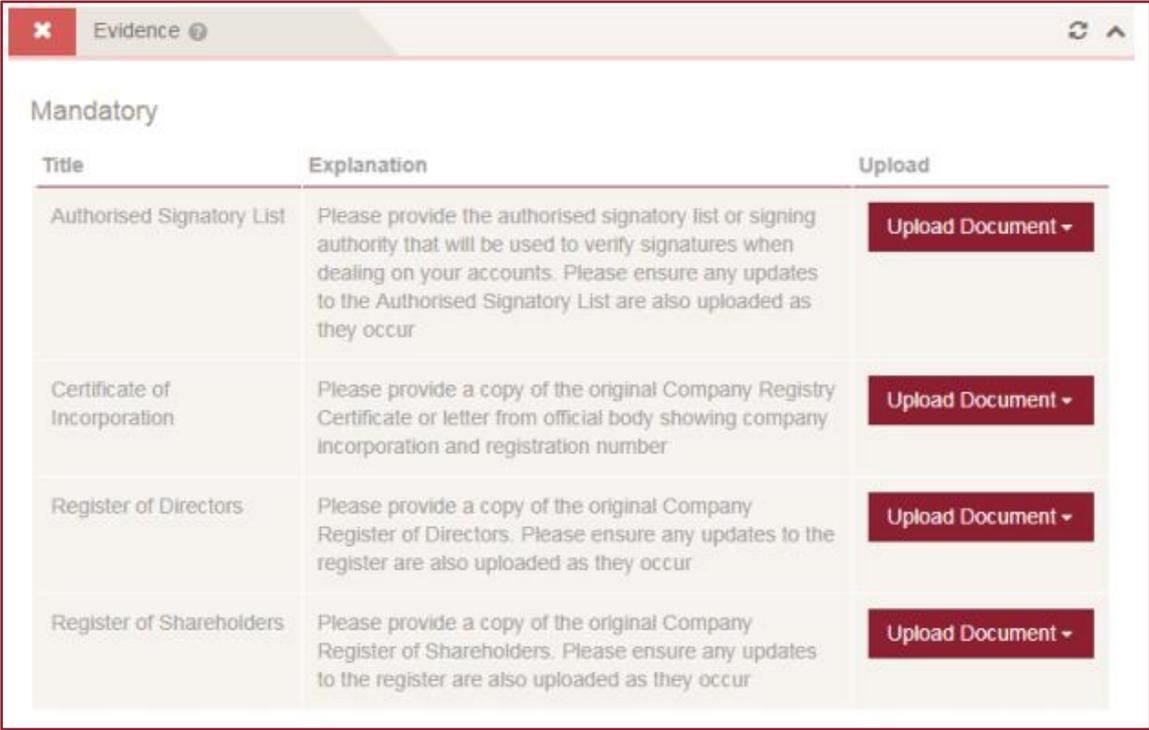
The ID Register aims to minimise the number of requests we send clients and investors for information and documentation. We strive to make the process as efficient as possible for all parties, however, Know Your Client (KYC) Due Diligence involves a number of steps which can result in requests for further information.

The chief purpose of KYC is to identify the immediate client, the ultimate beneficial owners (UBOs) / controllers of the client and to check those parties for risk factors. Where additional risk factors and/or additional UBOs are identified, additional dialogue and documentation will be necessary.

The types of documentation and information required for each client varies based on a number of factors such as legal form (Corporation, Partnership, etc.) and geographic residency.

The ID Register has created this brief guide to give you an early warning on the information that will be requested at first instance and some of the indicators which will lead to requests for additional information.

### Sample Requirements for a Low Risk Private Company



Title	Explanation	Upload
Authorised Signatory List	Please provide the authorised signatory list or signing authority that will be used to verify signatures when dealing on your accounts. Please ensure any updates to the Authorised Signatory List are also uploaded as they occur	Upload Document ▾
Certificate of Incorporation	Please provide a copy of the original Company Registry Certificate or letter from official body showing company incorporation and registration number	Upload Document ▾
Register of Directors	Please provide a copy of the original Company Register of Directors. Please ensure any updates to the register are also uploaded as they occur	Upload Document ▾
Register of Shareholders	Please provide a copy of the original Company Register of Shareholders. Please ensure any updates to the register are also uploaded as they occur	Upload Document ▾

## EVIDENTIARY REQUIREMENTS

Documents must be retained for the required retention period in either original or electronic format.

## PROFILE TYPES

The documentary KYC requirements for each profile are built into The ID Register system and can be viewed under the 'Evidence' section of the profile.

These requirements are determined by rules which take into account the following:

- Profile Type (LLC, LP, Foundation, etc.)
- Details entered into the 'Due Diligence' section of the profile
- Indicative Risk Factors of the Profile

Key Tip: A change in profile type will lead to a change in evidentiary requirements and therefore it is important to carefully review the profile type selected at first instance in order to prevent any confusion later on in the process.

### Profile Types

- Foundation (Foundations, Stiftung, Stifelese)
- Individual
- Limited Liability Company (Example: GmbH)
- Limited Partnership / Partnership (Examples: LP, LLP, GP, SNC/SCS, KG, KoIG, HB,vof/cv, SECS, KS/AS, FCR, GmbH & Co. KG – Limited Partnership)
- Listed Entity
- Pension / EBT / IRA
- Private Company (Examples: Inc., Corp., Limited, SARL, AB (Aktiebolag, bv/bvba,AS/IS)
- Public Body
- Regulated Entity
- Sovereign Wealth
- Trust
- University

Overview of evidence requirements per profile type:

<http://www.theidregister.com/media/1257/the-id-register-evidence-certification-guide.pdf>

## BENEFICIAL OWNERS AND CONTROLLERS

The immediate investing entity is often a legal person such as a corporation / partnership. The ID Register will need to go through the documentation of this entity in order to identify the UBO's and controllers (typically directors) of the entity, often through a number of other entities such as holding companies owning more than 10% of the shares / partnership interest.

The ID Register will set up profiles for the intermediate owners and controllers until the UBO's are reached.

**Key Tip:** Sending The ID Register a structure chart (at initial onboarding or the initial stages of a fund closing) identifying the individuals and entities ultimately controlling the client will allow us to set up all the relevant profiles and send you a full list of documentary requirements to avoid piecemeal requests for information.

**Typical Documentary Requirements for individual UBOs and Controllers:** Proof of Address (Utility Bill / Bank Statement) and Proof of Identity (Passport/Driving License)

## ENHANCED DUE DILIGENCE – INDICATIVE RISK FACTORS

### GEOGRAPHIC RISK FACTORS

The ID Register generates risk factors based on details entered in the 'Due Diligence' section of the profile. These details include Country of Birth, Tax Residences & Profile Addresses amongst other information. These potential risk factors generate under the "Indicative Risk Factors" section of your ID Register profile.

**Common Jurisdictions we encounter considered as High Risk:**

Country	Indicative Risk Factor Level
Bahamas	High
Barbados	High
China	High
Israel	High
Kazakhstan	High
Malaysia	High
Maldives	High
Marshall Islands	High
Mauritius	High
Mexico	High
Montenegro	High
Panama	High
Qatar	High
Russia	High
United Arab Emirates	High

Entities and individuals with links to such jurisdictions will be subject to Enhanced Due Diligence (EDD) requirements. This is in response to legal requirements in many jurisdictions which require a risk based approach to due diligence including a higher standard of due diligence for higher risk clients.

Typical EDD requirements for individuals:

- Additional proof of address
- Source of Wealth and Source of Funds documentation

Typical EDD requirements for entities:

- Source of Wealth and Source of Funds documentation
- Extra documentary evidence such as Limited Partnership Agreements and Audited Accounts

Indicative Risk Factors

Based on the due diligence that you have submitted, The ID Register has highlighted the following risk factors. Please comment on higher risks for the benefit of the subscribers to your profile.

Description	Level	Comments	Reviewed Level
Links with Guernsey pose a low AML/CFT risk	Low		Low

## OTHER INDICATIVE RISK FACTORS

Other important information within the due diligence section will also generate “Indicative Risk Factors”. This information can include, but is not limited to:-

- Active Bearer Shares
- Politically exposed person and adverse media (produced during the namescreening process)
- source of Wealth from sensitive activities such as military equipment

**Key Tip:** Letting us know at an early stage in the process about any risk factors such as those mentioned above will allow us to identify any additional requirements for your client and / or their UBOs / controllers.