



AML CLIENT RISK FACTORS

Corporate

- 1. Is the client, or any party to the client a 'Trust and Company Service Provider'?** **Yes** **No**
E.g. Director, Shareholder, Beneficial Owner.
- 2. Is the client a Personal Asset Holding Vehicle?** **Yes** **No**
E.g. a shell company, a personal investment company (PIC) or an atypical trust (e.g. the settlor or trustee is also a beneficiary) established (usually offshore) to hold personal assets.

A shell company is a company which serves as a vehicle for business transactions without itself having any significant assets or operations. They may also be known as international business companies, personal investment companies, front companies or mailbox companies.

The use of such persons or arrangements may make identification of ultimate beneficial owners more difficult since layering of ownership may conceal the true source or controller of the investment.
- 3. Does the client have any nominee shareholders?** **Yes** **No**
A nominee shareholder is an unrelated third party, who is officially registered as the holder of shares usually in an offshore company. The purpose is to uphold client secrecy by shielding the actual owner of the company from being publicly associated with that particular company.

Do not include nominee companies formed by banks or other regulated financial services firms to hold and administer securities or other assets as a custodian (registered owner) on behalf of an actual owner (beneficial owner) under a custodial agreement.
- 4. Does the company issue shares in bearer form?** **Yes** **No**
Companies who issue their capital in the form of bearer shares make it possible to hide the identity of the beneficial owner(s) and/or changes in beneficial ownership by separating legal and beneficial ownership, or because there is no trail of ownership, which introduces a degree of anonymity.
- 5. Is the company cash intensive or does it operate in a sensitive industry?** **Yes** **No**
Money Service Businesses, casinos/gambling or dealers in precious metals. Natural Resources Extractive Industries e.g. oil, gas, mining and primary-forest logging companies, Defence Industry, Government procurement activities, Human Health Sector (pharmaceutical, medical devices, both research and development), Large infrastructure projects (public works contracts and construction), Privatisation, Developmental and Other Types of Assistance e.g. foreign aid.
- 6. Does the ownership structure of the client entity appear complex given the nature of the client?** **Yes** **No**
E.g. a trust or corporate vehicle that is part of a multi-layered structure which seems excessively complex in relation to what you would expect for the size or purpose of the company.
- 7. Is the business conducted in unusual circumstances?** **Yes** **No**
If there is anything you feel is unusual it can be raised here. A non-exhaustive list of examples may include:

 - the introduction or communication is from an unusual channel,
 - a client located outside of the UK has selected the firm based purely on an internet search i.e. no family or UK connections
 - a Qualifying Recognised Overseas Pension Scheme (QROPS) without an adviser.
- 8. Is the client a regulated credit or financial institution?** **Yes** **No**
Is the firm located in an EEA state or a low risk jurisdiction' and regulated by the FCA, JFSC, CBI or the financial regulator for the relevant jurisdiction.
- 9. Is the client listed on a stock exchange with adequate disclosure requirements?** **Yes** **No**
The client is a company (or corporate vehicle) that is listed on:

 - the London Stock Exchange or AIM, or
 - a market that is on the EU Regulated Markets list
https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_rma or
 - another market with assessed adequate disclosure requirements.

10. Is the client a Public Administration or Enterprise?

Yes No

UK or overseas governments (or their representatives), supranational organisations, government departments, state-owned companies or local authorities. Public sector bodies include state supported schools, colleges, universities and NHS trusts. <https://www.gov.uk/government/organisations>

11. Is the client a pension, superannuation or similar scheme providing retirement benefits to employees? Yes No

Contributions are made by way of deduction from wages, and the scheme rules do not permit the assignment of a member's interest under the scheme. (This excludes SIPP's and SSAS's)