

# **SOURCE OF FUNDS PROCEDURE**



## **GUIDANCE NOTES FOR ALL RL360 PRODUCTS**

This document sets out RL360'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.

RL360 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 product they are applying for, the jurisdiction they are based in and the jurisdiction where the payment is to be transferred from. 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 RL360.

## **IMPORTANT**

The inclusion of a country on this list does not signify that RL360 will accept business from that country.

RL360 reserves the right to request further documentary evidence at any time.

## **STANDARD RISK**

To qualify as standard risk business the client must be one of the following:

- applying for a regular payment plan
- applying for a lump sum investment and is both resident in a standard risk country and sending their payment from a standard risk country
- a regulated trust/pension company

For standard risk business no documentary evidence is required.

### **Standard Risk Countries**

Andorra	Antigua & Barbuda	Armenia	Australia
Austria	Azerbaijan	Bahrain	Belarus
Belgium	Belize	Bermuda	Brazil
British Virgin Islands	Bulgaria	Canada	Chile
Cook Islands	Costa Rica	Croatia	Cyprus
Czech Republic	Denmark	Dominica	Dominican Republic
Ecuador	El Salvador	Estonia	Fiji
Finland	France	Gambia	Georgia
Germany	Gibraltar	Greece	Grenada
Guatemala	Guernsey	Guyana	Hong Kong
Hungary	Iceland	Ireland	Isle of Man
Italy	Japan	Jersey	Jordan
Kazakhstan	Korea (south)	Latvia	Liechtenstein
Lithuania	Luxembourg	Macau	Macedonia
Malaysia	Malawi	Malta	Marshall Islands
Mexico	Moldova	Monaco	Montenegro
Netherlands	New Zealand	Norway	Peru
Poland	Portugal	Qatar	Romania
Russia	Saint Lucia	Saint Vincent and Grenadines	Serbia
Seychelles	Singapore	Slovakia	Slovenia
South Africa	Spain	Sweden	Switzerland
Taiwan	Trinidad and Tobago	Turks and Caicos Islands	United Kingdom
Uruguay	USA	Uzbekistan	Vanuatu

## HIGHER RISK

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

A client will be categorised as higher risk if they are applying for a lump sum investment and are either:

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

### Higher Risk Countries

Afghanistan	Albania	Algeria	Angola
Anguilla	Argentina	Bahamas	Bangladesh
Barbados	Benin	Bhutan	Bolivia
Bosnia and Herzegovina	Botswana	Burkina Faso	Burundi
Cambodia	Cameroon	Cape Verde	Cayman islands
Central African Republic	Chad	China	Colombia
Comoros	Congo (Democratic Republic)	Congo (Republic of)	Cote d'Ivoire/Ivory Coast
Egypt	Equatorial Guinea	Eritrea	Ethiopia
Gabon	Ghana	Guinea	Guinea Bissau
Haiti	Honduras	India	Indonesia
Iraq	Israel	Jamaica	Kenya
Kosovo	Kuwait	Kyrgyzstan	Lao PDR/Laos
Lebanon	Lesotho	Liberia	Libya
Madagascar	Maldives	Mali	Mauritania
Mauritius	Micronesia	Mongolia	Montserrat
Morocco	Mozambique	Myanmar/Burma	Namibia
Nepal	Nicaragua	Niger	Nigeria
Oman	Pakistan	Palestine	Panama
Papua New Guinea	Paraguay	Philippines	Puerto Rico
Rwanda	Sao Tome and Principe	Saudi Arabia	Senegal
Sierra Leone	Somalia	South Sudan	Sri Lanka
Sudan	Suriname	Swaziland	Syria
Tajikistan	Tanzania	Thailand	Tonga
Togo	Tunisia	Turkey	Turkmenistan
Uganda	Ukraine	United Arab Emirates	Vietnam
Yemen	Zambia	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 wealth - requirements of evidence as stated above for each source of wealth 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.

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