



Guernsey Financial
Services Commission

Guidance on a registered director's AML/CFT obligations

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Introduction

Individuals registered with the Commission under the director registration regime are subject to a reduced set of anti-money laundering and counter terrorist financing (“AMLCFT”) obligations which reflect the limited scope of their activities. They are not required to undertake business and customer risk assessments and they are not required to have policies and procedures as the only regulated activity they can carry out under their registration is acting as a director which is restricted to no more than six directorships. This limits their exposure to money laundering and terrorist financing risks compared to most other financial services and prescribed businesses (legal professionals, accountants and estate agents).

This guidance is intended for use by registered directors only¹. Other individuals and firms licensed or registered by the Commission can undertake a wide range of regulated activities which are not capped in law to a small number of appointments. Therefore, the money laundering and terrorist financing risks they present cannot be regarded as sufficiently low to support a reduction in their AMLCFT obligations.

A registered director is subject to the following requirements of Schedule 3 of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999:

1. Money laundering and terrorist financing risk understanding (paragraph 1(3) of Schedule 3)
2. Customer due diligence (paragraph 4 of Schedule 3)
3. Enhanced customer due diligence (paragraph 5 of Schedule 3)
4. Customer due diligence for low-risk relationships (paragraph 6 of Schedule 3)
5. Timing of identification and verification (paragraph 7 of Schedule 3)
6. Accounts and shell banks (paragraph 8 of Schedule 3)
7. Non-compliance with customer due diligence measures (paragraphs 9 of Schedule 3)
8. Monitoring transactions and other activity (paragraph 11 of Schedule 3)
9. Reporting suspicion (paragraph 12 of Schedule 3),
10. Training (paragraph 13 of Schedule 3) and
11. Record-keeping (paragraph 14 of Schedule 3)

The following requirements of Schedule 3 have been disapplied:

- Understand risk, assess and mitigate risk (paragraph 2 of Schedule 3)
- Risk assessments (paragraph 3 of Schedule 3)
- Introduced business (paragraph 10 of Schedule 3) and
- Compliance and corporate responsibility (paragraph 15 of Schedule 3)

This guidance covers the requirements of 1 to 4, and 8 to 11 above as well as a section on sanctions as these are the main obligations a registered director will deal with. This guidance is for the benefit of those registered directors who may not be familiar with financial services practices, and whose directorships are of companies with straightforward ownership structures

¹ Registered directors refers to individuals registered under Schedule 5 to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999

and clear and easily understood economic purposes. It is intended to show in practical terms how he or she can comply through fulfilling the duties he or she owes the company as a director.

Registered directors who are on boards of companies holding and/or managing high value assets for the companies' beneficial owners in situations which would generally be regarded as private wealth management or under a "family office" arrangement should refer to the Handbook on Countering Financial Crime and Terrorist Financing ("the Handbook") to ensure that the relevant legal provisions and rules are being applied. This is because these are companies that can hold high value assets such as property, investments, art, aircraft and boats, that may hold the beneficial owner/s' trading or operating companies, that may undertake activities on a cross-jurisdictional basis and whose ownership may be within a corporate structure and/or a structure including trusts, which may have corporate directors and nominee shareholders. These factors, either singly or in combination can increase the risk of money laundering and terrorist financing.

Individuals with a directorship of a company owned by a foreign politically exposed person or connected to Iran, North Korea or Myanmar², should also refer to the Handbook.

This guidance takes account of the types of companies registered directors serve. We periodically review the guidance to ensure it remains relevant for the types of directorships they hold.

Schedule 3 and the Handbook remain the definitive texts for the AMLCFT obligations.

² These countries have been identified by the Financial Action Task Force as high risk and for which enhanced customer due diligence measures must be applied.

1. Understanding of money laundering and terrorist financing risks and obligations (see paragraph 1(3) of Schedule 3)

A registered director is not required to undertake a money laundering or terrorist financing business risk assessment or risk assess each directorship held, but paragraph 1(3) does require a registered director to have regard to the rules and guidance in the Handbook, any relevant notices or instructions issued by the Commission and the Bailiwick's National Risk Assessment ("NRA") in understanding their money laundering and terrorist financing risks to determine if a directorship would be a high-risk or a low-risk relationship. This is because where these risks are high a registered director should be undertaking more due diligence (please see point 3 on enhanced customer due diligence).

The NRA identifies that the most likely predicate offences of the Bailiwick being used for money laundering come from the laundering of foreign proceeds of crime involving bribery, corruption and fraud including tax evasion, which can involve the misuse of companies. It sets out that the money laundering risks are lower for Bailiwick incorporated companies owned by Bailiwick residents to hold assets located within these islands; whereas the risks are much higher for companies incorporated or managed and administered from the Bailiwick which are foreign owned companies and hold assets outside the Bailiwick.

Companies can be used for terrorist financing purposes, particularly by well-organised terrorist groups that operate businesses and carry out trade, however the international instances of a company being used for terrorist financing do not fit the profile of most companies to which Bailiwick persons provide corporate services (including directorships). Companies which are not used for cross-jurisdictional purposes are not considered to have a material exposure to terrorist financing.

The Bailiwick's terrorist financing risks are much lower than the money laundering risks to the Bailiwick.

The latest version of the NRA is available via the [States of Guernsey's NRA webpage](#).

The appendix to this guidance includes a non-exhaustive list of risk factors which could increase or decrease the risk of money laundering or terrorist financing through a company. If the registered director has a directorship where one or more of higher risk factors are present, he or she should consider whether this would make the appointment high risk and undertake more due diligence as explained in point 3.

2. Customer due diligence (see paragraph 4 of Schedule 3; Handbook Chapters 4 Customer Due Diligence, 5 Natural Persons, 6 Certification & 7 Legal Persons and Legal Arrangements)

A registered director is required to undertake due diligence to:

- a) identify the customer and verify the customer's identity using identification data;
- b) identify the person who acts on behalf of the customer, and verify their identity and authority to act, and
- c) identify the beneficial owner/s of a company and take reasonable measures to verify their identity and to understand the ownership and control structure of the company.

a) Identifying the customer and verifying the customer's identity.

The company is the registered director's customer. A company is identifiable by its name, (including any trading name); any official identification number (company registration number); the legal form and law to which it is subject; the date and jurisdiction of incorporation; its registered office and principal place of business, if different; and the names of the natural persons who are its directors.

A copy of the company's incorporation certificate or memorandum and articles of incorporation will verify the identity of the company. The company's register of directors will identify and verify who its directors are. A registered director who is in regular contact with the company's other directors through attendance at board meetings, could also rely on minutes of those meetings to verify who its directors are. A company registry search should also confirm who its directors are.

The registered director's attendance at the company's offices for board meetings will verify the company's address.

A registered director would be complying with the obligations to identify and verify the company if he or she holds a copy of the incorporation certificate or memorandum and articles of incorporation, a screenshot of a company registry search and copies of minutes of board meetings which record where meetings were held and the identity of its directors.

b) Identifying the person who acts on behalf of the customer and verifying their identity and authority to act.

A registered director might be authorised by the company to act on its behalf. This may be as a sole authority/signatory or alongside another director of the company. This is more likely to be the case on boards made up of a small number of directors. Other registered directors might not act in such a capacity for the company because they hold a "non-executive" role. A person authorised to act for the company is usually appointed, or powers delegated to him or her, by the board, the decision of which is usually recorded as a resolution by the board.

A registered director is required to identify who the person/s are who are authorised to act for the company and to verify their identity and their authority to act. This means verifying their identity with documentation which confirms at a minimum their name, date of birth, and where they live. For an individual this information is usually verified by an official identity document such as a passport or driving licence and a recent utility bill.

The obligation upon a registered director to verify that individual's authority to act would be met through attendance at board meetings and through board decisions to make the appointment.

A registered director would be complying with the obligations to identify and verify the identity of the person/s who acts on the company's behalf if he or she obtains copies of their official identity documents. The registered director could obtain copies of these documents from the company, or from its administrator as these would be part of the due diligence documents required to access a financial product or service, such as a bank account, providing the information is up to date and accurate on who acts for the company.

A registered director could rely on other forms of identification including regular physical contact (physically attending meetings or video or internet calls with face to face contact; but not email exchanges and telephone calls) with the other directors to consider the company's activities, as well as credible media reports or annual audited financial statements identifying the person/s who usually acts on the company's behalf - for example an article identifying the individual as the company's chief executive or chief financial officer. The registered director could also rely on the record of the company appointing the person to act if he or she was involved in the collective board decision.

A registered director with little to no physical contact with other board members should however obtain copies of the official identity documents of the directors who act for the company.

c) Identifying the beneficial owner and taking reasonable measures to verify their identity and understand the ownership and control structure of the company.

A registered director should know who owns and controls the company for which they act. The beneficial ownership of a company can change through (partial) sale of the company for example, or it may become apparent to the registered director from the company's activities and transactions, that the beneficial owner is someone not previously disclosed which may raise a suspicion of money laundering or terrorist financing. The registered director should ensure that any doubts over the identity of the company's beneficial owner/s are quickly resolved.

The beneficial owner/s will usually be the natural person who controls the company through ownership, directly or indirectly, i) of more than 25% of the company's shares, ii) of more than 25% of the voting rights and/or iii) holding the right directly or indirectly to appoint or remove a majority of the board.

If no individual meeting these criteria can be identified, then consideration should be given to establishing if there is a person(s) who controls the company through means which may arise where the individual holding the company's shares does so on the person(s) behalf and upon whose instructions they act. This could arise in familial or employment relationships and are most likely to be informal nominee arrangements. If a registered director believes this to be the case, he or she should identify as the beneficial owner the person influencing or instructing the nominee and establish the reasons for this arrangement.

Where a regulated professional nominee has been appointed to hold shares in the company, such as a fiduciary licensee, they should be disclosing their nominee status and providing information on who has appointed them to act.

If no individual can be identified who meets either of these criteria, then the beneficial owner is the person/s who are senior managing officials of the company who exercise executive control over the affairs of the company.

For a company with a straightforward ownership structure where the beneficial owner/s directly owns and controls the company, their identity will be disclosed in the company's register of members. A registered director may act for a company owned by a trust in which case the settlor, trustee, any protector, and any beneficiaries are the beneficial owners to be identified.

Rules and guidance in Sections 7.4.2 and 7.10.3 of Chapter 7 of the Handbook provide information on how to establish beneficial ownership of a company and of a trust.

If a company is owned within a structure of companies or a structure including trusts, the registered director must look through the companies, and trust/s to establish who the beneficial owner/s are. As explained in the introduction, registered directors whose directorships resemble private wealth management or "family office" work, are likely to hold directorships of a company within a corporate structure which may or may not include trusts. They should refer directly to these sections of the Handbook.

Once the identity of the beneficial owner/s of the company has been established, their identity should be verified using identification documents such as a passport and a recent utility bill. These may be received in paper or electronic form.

A registered director would be complying with the obligations to identify the beneficial owner/s and take reasonable measures to verify their identity by obtaining copies of these documents from the beneficial owner/s. The registered director could obtain copies of these documents instead from the company, or from its administrator, as these would be part of the due diligence documents required to access a financial product or service such as a bank account.

A registered director should understand the reasons for the ownership structure and be satisfied that it makes economic sense. A registered director should have regard to the profile and economic background of the company's beneficial owner/s and whether this is consistent with the activities and purposes of the company. If the reasons for establishing a company are not easily discernible, the registered director should keep a note or the email exchange of any discussion with the owner clarifying its purpose and rationale. A structure chart can assist in understanding the ownership and control of a company held within a trust/corporate structure, particularly where it is complex.

Alternative means of complying with requirements to identify and verify the identity of natural persons who act for the company or for its beneficial owners.

A registered director on the board of a company is responsible as a director for the actions of the company and for acting in the company's best interests. In recognition of the knowledge a registered director should have about the company's ownership and control which they would receive as a director, a registered director could rely on the fact that a financial institution, such as a bank, opened an account for the company as a means of verifying the identity of individuals who act for the company and the individuals who are its beneficial owners, instead of obtaining copies of their identification documents **provided that**:

- i. the registered director knows the identity of these individuals,

- ii. the financial institution is subject to AMLCFT supervision,
- iii. the registered director knows that the company has these documents by obtaining confirmation from the company secretary or administrator or because he or she has seen them,
- iv. the registered director is satisfied that the financial institution was provided with due diligence documentation on the company, on the individuals who act for it and on its beneficial owners which reflects the registered director's knowledge of the company over which he or she has no doubts,
- v. that the financial institution has been kept up to date by the company with any changes to these individuals,
- vi. that the registered director is not acting in cases which would be regarded as private wealth management or family office services as these are higher risk, and
- vii. the company is not beneficially owned by a foreign politically exposed person or has a connection to Iran, North Korea or Myanmar which are high risk jurisdictions.

3. Enhanced customer due diligence (“ECDD”) (paragraph 5 of Schedule 3 and chapter 8 enhanced customer due diligence)

Paragraph 5 of Schedule 3 requires a registered director to apply ECDD to high-risk relationships set out in point a. below. Paragraph 5 also requires enhanced measures to be applied to manage the money laundering and terrorist financing risks if the company falls within the descriptions in b i) to iii) below.

- a. **ECDD** - A registered director is required to apply ECDD to a company which is high risk. It is mandatory to apply ECDD in the following circumstances:
 - i) a company owned by a foreign politically exposed person (“PEP”),
 - ii) a company which is connected to Iran, North Korea or Myanmar which are countries designated as high risk by the Financial Action Task Force or
 - iii) where for other reasons the registered director regards the company high risk.

- b. **Enhanced measures** - A registered director on the board of company with one or more of the following features is required to apply enhanced measures as part of their due diligence to:
 - i) a company incorporated outside of the Bailiwick,
 - ii) a company which holds the personal assets of the beneficial owner, and
 - iii) a company with nominee shareholders or owned by a company with nominee shareholders.

A PEP is defined as a natural person who is or has held a prominent public function. A foreign PEP means a natural person who holds such a function outside of the Bailiwick. It specifically covers heads of state, senior politicians, senior government officials, senior members of the judiciary, senior military officers and senior executives of state-owned enterprises, the PEP’s immediate family members and close associates. A registered director should consult chapter 8 of the Handbook for information on the measures for identifying and managing PEPs if the company is owned by a foreign PEP.

A registered director may act for a company owned by a natural person who is a domestic PEP which includes senior political (i.e., presidents of committees), government and public officials, their immediate family and close associates. Appendix E of [the Handbook](#) lists who would be regarded as a domestic PEP. It does not include any persons who ceased to hold public office before 31 March 2019. It is not mandatory to classify a directorship of a company owned by a domestic PEP as high risk, but the registered director should consider if there are factors about the appointment which would make it high risk.

Relationships with former foreign PEPs need not be classified as high risk if public office ceased seven years ago unless they were a head of state/government, had power to direct the spending of significant sums, or there is some other relevant factor which would continue to make the relationship high risk. In these circumstances the registered director should refer to section 8.5.6 of chapter 8 of the Handbook.

- i) *For companies connected to Iran, North Korea and Myanmar.*

A connection to these countries would include the company’s ownership by a person resident in that country or its government or public authority, if the company has a business address there, or the company or its beneficial owner/s derive funds from assets held in the country or

income arising from the country. A registered director should consult chapter 8 of the Handbook if the company has a connection to Iran, North Korea or Myanmar.

- ii) *For other types of high-risk companies.*

As indicated in point 1, one or more of the risk factors listed in the appendix to this note may apply to a directorship for which it would be appropriate for the registered director to undertake ECDD because the company is high risk. This is a matter of judgement but if there is more than one of these factors present a registered director should consider if the appointment is high risk by taking account of those factors singly and in combination.

What are ECDD measures?

ECDD should include the registered director:

- i. seeking information on the source of the company's funds and assets (i.e., activities which generate the company's funds or funds to acquire its assets) and where it is owned by a PEP, the PEP's source of funds and source of wealth (which is information on the activities which have generated the total net worth of the PEP),
- ii. obtaining additional information about the company's assets and activity and the activity of the beneficial owner, and
- iii. applying more frequent and extensive scrutiny to the company's activities.

The extent of ECDD will depend on how well the registered director knows the company and/or its beneficial owner/s.

If, prior to the appointment, the registered director has had no personal or business relationship with the beneficial owner or the company, the registered director would be expected to ensure that they have the information in points i) and ii) above and on an ongoing basis apply more scrutiny to its activities.

To satisfy source of wealth and source of funds requirements a registered director should have information on those sources. If there are factors which would increase the money laundering and terrorist financing risks associated with the company, such as a connection to a jurisdiction with high levels of corruption or drug trafficking, and source and value of funds or wealth are inconsistent with information about the company or beneficial owner's profile, source of wealth and funds information should be corroborated by documents such as audited accounts, third party valuations, contracts etc. Section 8.3 of the Handbook and the Commission's [thematic report on source of funds/source of wealth in the private wealth management sector](#) provide further guidance.

a. Enhanced measures

There will be legitimate reasons for a registered director to hold an appointment on a company falling into one or of these categories. Nevertheless, there can be situations where these types of company are misused to move illicit funds away from a jurisdiction or to conceal the source of the assets or funds. Acting as a director can be key gateway role in respect of a non-resident person accessing financial services in a jurisdiction through a company, and any suspicion a registered director harbours about the motives for a person using a company should be reported as described in point 6.

A nominee shareholder can be an individual or a company which holds shares in the company on behalf of a beneficial owner. The use of a nominee shareholder can increase the risk of money laundering or terrorist financing because it can provide a means for the beneficial owner/s to hide their identity, particularly if it is an informal arrangement rather than where the nominee shareholder is a regulated fiduciary licensee. For more information on nominee shareholder see section 7.3.1 and section 8.12 of the Handbook.

If a registered director's appointment is on a company with one or more of the following features the corresponding steps should be taken:

- The company is incorporated outside of the Bailiwick – obtaining information on the reason for the company's incorporation in that jurisdiction, the reason for the registered director's appointment, or obtaining information on the company's source of funds;
- The company holds the personal assets of the beneficial owner – finding out why the beneficial owner is using a company to hold personal assets to satisfy that the use of the company is genuine and legitimate or obtaining information on the company's source of funds.
- The company has nominee shareholders or is owned by a company with nominee shareholders – finding out why there are nominee shareholders and ascertaining where they are located and if they are regulated (which would reduce the money laundering and terrorist financing risks).

Retaining records of discussions a registered director has with the beneficial owner would be demonstrating compliance with these obligations. These records might be an email exchange, or a note made by the registered director for their own information.

It may be the case that the company has had to compile information sought by a financial institution discharging its own ECDD and/or enhanced measures obligations. A registered director would be complying with these obligations if they have copies of this from the company's secretary or administrator or know what information the company provided.

4. Customer due diligence for low-risk relationships (paragraph 6 of Schedule 3 and chapter 9 of the Handbook)

A registered director may apply reduced or simplified customer due diligence measures in certain circumstances. These circumstances may arise where the beneficial owner of the company or the person who acts on behalf of the company is an individual resident in the Bailiwick. In these cases, their identity can be verified by a passport (or driving licence), or their residential address can be verified (copy of a recent utility bill).

5. Monitoring activity and transactions (paragraph 11 of Schedule 3 and chapter 11 of the Handbook)

A registered director is not the company's "compliance officer" and he or she is not expected to conduct due diligence on the company's customers.

A registered director is required to monitor the company to ensure that any changes in the company's beneficial ownership or any complex or unusual activities or transactions it undertakes are identified for any potential suspicion of money laundering or terrorist financing. The extent to which the director monitors the company's activities and transactions will depend upon the size and nature of the company, and how active it is.

This obligation is likely to be met through the registered director's consideration of reports to the board on the company's activities and finances as part of its regular board meetings, and where the director is a signatory for the company, through authorising transactions. A registered director should ensure that if his or her contact with the company is sporadic, other means are found to receive sufficient information on the company's activities, such as periodic reporting from the director or company representative responsible for undertaking the company's activities.

A registered director who authorises a company's activities and transactions as an authorised (co)signatory should ensure before executing any transaction or activity that he or she is satisfied about its economic purpose and rationale for that transaction. Retaining information and documentation received upon which to decide whether to authorise a specific activity or transaction could evidence how the registered director fulfilled the obligation to monitor a transaction or activity.

If the registered director is not directly involved in the company's activities or transactions, their consideration at board meetings of a report on the company's activities and transactions could evidence how the registered director has complied with this monitoring obligation. Retaining copies of minutes of board meetings capturing discussion and supporting board packs would evidence compliance with this obligation.

A registered director should apply more scrutiny to activities and transactions by a company owned by a foreign PEP or where those activities or transactions would be regarded as high risk. This would include where those activities or transactions are connected to a high-risk country.

6. Reporting suspicion (paragraph 12 of Schedule 3 and Chapter 13 of the Handbook)

Suspicions of money laundering or terrorist financing must be reported to Guernsey's Financial Intelligence Unit ("FIU"). Under paragraph 12 a registered director is required to take into account all relevant information when determining if there is a suspicion to be reported and he or she should establish and maintain appropriate and effective procedures to ensure that suspicions are reported in accordance with the Disclosure (Bailiwick of Guernsey) Law, 2007 and the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (together "the disclosure laws")

A registered director is not required to appoint a money laundering reporting officer.

The disclosure laws impose obligations upon a person to disclose as soon as possible knowledge or suspicion of money laundering or terrorist financing. They also include the offence of "tipping off" where information that a suspicion has been reported, is disclosed to a third party other than for the prevention, detection, investigation or prosecution of a criminal offence in the Bailiwick or elsewhere.

A suspicion may be based upon a transaction or attempted transaction which is inconsistent with the company's legitimate economic activities.

A suspicion might arise in the course of a registered director's consideration of authorising a transaction, reviewing reports on the company's activities and transactions, or receipt of information from third parties which might include enquiries by law enforcement, information from the company's customers about its activities or credible media reports alleging company wrongdoing.

A suspicion may also arise if the registered director cannot complete due diligence on the company or beneficial owner/s which arise from a refusal to provide information for which there is no compelling reason to refuse. The registered director should consider whether the refusal gives rise to a suspicion of money laundering or terrorist financing.

The FIU has an online reporting facility called THEMIS through which reports of suspicion should be made. A registered director is encouraged to sign up to THEMIS as it also provides a means for receiving information about money laundering and terrorist financing risks.

Information on how to register on THEMIS and guidance the FIU has issued on reporting suspicion can be found on [the FIU's website](#).

7. Training (see paragraph 13 (2A) of Schedule 3 and chapter 15 of the Handbook)

A registered director is required to understand his or her AMLCFT obligations and the obligations to report suspicion and comply with sanctions related to terrorist financing, proliferation financing and other sanctions regimes implemented in the Bailiwick.

This guidance note outlines the main elements of these obligations, further information on which is available in the Handbook. The Commission holds periodic events specifically for registered directors covering these obligations which registered directors are encouraged to attend.

8. Record-keeping (paragraph 14 (7) of Schedule 3 and chapter 16 of the Handbook)

A registered director is required to keep customer due diligence information and transaction records. They must also keep a record of any reports of suspicious activity which they have made to the Financial Intelligence Unit. Records, which can be held in electronic or paper form, must be kept for a period of five years following cessation of their directorship of the company.

The transaction records which should be retained are company transactions which the registered director has authorised.

Registered directors who are not involved in authorising a company's transactions will have no transaction records to retain but should retain copies of board meetings and board packs or be satisfied that the company's secretary or administrator will make them available to the registered director as set out in point 5 above on monitoring activity.

9. UN, UK and Guernsey sanctions

A registered director must comply, as must any business in the Bailiwick, with sanctions issued by the States of Guernsey Policy & Resources Committee ("P & R"). Sanctions typically require funds, assets or any form of economic resources of a sanctioned party to be frozen and for businesses to refrain from making funds, assets or economic resources available to them. Information on the Bailiwick sanctions, which explains current sanctions regimes targeting certain countries such as Iran and North Korea, terrorist organisations or for dealing with global issues such as human rights abuses and corruption, can be found on the [Sanctions page](#) of the States of Guernsey's website.

The Commission publishes on its website the notices issued by P & R, and the FIU also issues them through THEMIS. A registered director should keep abreast of current sanction regimes and immediately report to P & R if they have any kind of relationship with a person sanctioned under a Bailiwick sanction regime.

Appendix

Higher risk factors:

- (a) The company or its beneficial owner have links to sectors that are commonly associated with higher corruption risk, such as construction, pharmaceuticals and healthcare, the arms trade and defence, the extractive industries, public procurement or energy industries.
- (b) The company or beneficial owner have links to sectors that are associated with higher money laundering or terrorist financing risks, for example, certain money service providers, casinos or dealers in precious metals and stones.
- (c) The company or beneficial owner have links to sectors that involve significant amounts of cash.
- (d) The company or its beneficial owner/s have political connections, for example, the beneficial owner is a PEP. The company or beneficial owner have relevant links to a PEP who exerts significant control over the company or beneficial owner.
- (e) The company or its beneficial owner hold a prominent position or enjoy a high public profile that might enable the abuse of this position for private gain. For example, they are senior regional public officials with the ability to influence the awarding of public contracts, decision-making members of high-profile sporting bodies or individuals who are known to influence the government and other senior decision-makers.
- (f) There are adverse media reports or other relevant information from reliable and credible sources about the company or beneficial owner alleging criminality. The registered director should consider the credibility of these reports.
- (g) The company or its beneficial owner are publicly known to be closely associated with a person who has had their assets frozen due to administrative or criminal proceedings or allegations of terrorism or funding terrorism.
- (h) There are adverse reports or other relevant sources indicating that the company, or its beneficial owner (or anyone publicly known to be closely associated with them) supports or promotes violent extremism or terrorism.
- (i) The company's ownership and control structure are unclear and/or makes little economic sense. There is no obvious commercial or lawful rationale for the ownership structure, particularly if it is complex or opaque.
- (j) There are no sound reasons for changes in the company's ownership and control structure.
- (k) The company or beneficial owner's source of funds or source of wealth cannot be easily established, for example, through their occupation, inheritance or investments.
- (l) The company makes unexpected financial donations to non-profit organisations ("NPOs") whose activities could be abused for terrorist financing purposes, in particular those NPOs operating directly or indirectly in higher risk jurisdictions for terrorism.

Examples of lower risk factors

- a) The company is owned directly by the beneficial owner who is resident in the Bailiwick.
- b) The company's assets are located in the Bailiwick and have not been generated in high-risk countries.
- c) The company's activities are consistent with the beneficial owner's background and economic activity and are consistent with the rationale for the company's establishment.
- d) The ownership and control of the company is transparent and well-known with credible media reports which identify the company's beneficial owners.