

Enhanced Measures

You have been approached to establish or undertake the following business relationships/occasional transactions. In each case you must determine:

- who the client is within the scenario;
- which, if any, of the four higher risk factors apply to the client; and
- what enhanced measure(s) you could apply to mitigate those higher risk factors.

The scenarios herein are wholly fictional and are purely for the purposes of discussing the application of the Bailiwick's AML/CFT framework.

1. You work for a law firm and have been approached to provide advice in relation to the purchase of an Open Market property. The client, a natural person, is based in the United Kingdom and their offer of £2.5m for the property has been accepted by the Vendor.

Client: _____

- Which Risk Factors Present?:
- Client is not resident in the Bailiwick
 - Client being provided with private banking services
 - Client is used for personal asset holding purposes
 - Client has nominee shareholders, or is owned by a legal person with nominee shareholders

Possible Enhanced Measure(s):

2. Your firm has been approached by a local trust and corporate service provider to provide tax advice in respect of the disposal of two properties in Germany on behalf of a trust for which they act as trustee. The settlor and beneficiaries of the trust are all based in Australia.

Client: _____

- Which Risk Factors Present?:
- Client is not resident in the Bailiwick
 - Client being provided with private banking services
 - Client is used for personal asset holding purposes
 - Client has nominee shareholders, or is owned by a legal person with nominee shareholders

Possible Enhanced Measure(s):

3. You have been approached, as an accountancy business, to provide services to a client (a company) registered in the British Virgin Islands. The company is 100% owned by A Nominees Limited, a subsidiary entity of a law firm domiciled in the Democratic Republic of the Congo (“DRC”). The shares are being held on behalf of three underlying DRC citizens. The company was established for the purpose of holding mining interests in the DRC and surrounding countries. You have assessed the relationship as being high risk.

Client: _____

- Which Risk Factors Present?:
- Client is not resident in the Bailiwick
 - Client being provided with private banking services
 - Client is used for personal asset holding purposes
 - Client has nominee shareholders, or is owned by a legal person with nominee shareholders

Possible Enhanced Measure(s):
