

Source of funds procedure



Guidance notes for Ardan

This document sets out Ardan'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.

Ardan 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 jurisdiction they are based in, the jurisdiction where the payment is to be transferred from and the investment amount. 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 Ardan.

Important

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

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

A client's total investment is the sum of:

- their initial investment
- plus any one-off future investments, or the annualised amount of any regular investment, if proposed.

Investment thresholds

Currency	Amount
GBP	90,000
USD	125,000
EUR	105,000
CHF	115,000
AUD	160,000
HKD	960,000
JPY	13,500,000
AED	450,000
CAD	155,000
ZAR	1,800,000
SGD	165,000

STANDARD RISK

To qualify as Standard Risk Business the client is either:

- applying for a portfolio and is both resident in a standard risk country and sending their payment from a standard risk country.
- making a total investment* which falls below the investment thresholds.
- a regulated trust/ pension company.

For standard risk business no documentary evidence is required.

* Please see the Important section on page 1 for a definition of “total investment”.

Standard Risk Countries

Andorra	Antigua & Barbuda	Argentina	Armenia
Australia	Austria	Azerbaijan	Bahamas
Bahrain	Bangladesh	Belgium	Bermuda
Bhutan	Botswana	Brazil	British Virgin Islands
Brunei	Bulgaria	Canada	Chile
Colombia	Cook Islands	Costa Rica	Cuba
Cyprus	Czech Republic	Denmark	Dominica
Dominican Republic	Egypt	Estonia	Fiji
Finland	France	Gambia	Georgia
Germany	Ghana	Greece	Grenada
Guatemala	Guernsey	Honduras	Hong Kong
Hungary	Iceland	Indonesia	Ireland
Isle of Man	Israel	Italy	Japan
Jersey	Kazakhstan	Korea (South)	Kyrgyzstan
Latvia	Liechtenstein	Lithuania	Luxembourg
Macau	Macedonia	Malawi	Malaysia
Malta	Marshall Islands	Mauritania	Mauritius
Mexico	Moldova	Monaco	Mongolia
Morocco	Netherlands	New Zealand	Nicaragua
Norway	Paraguay	Peru	Poland
Portugal	Puerto Rico	Qatar	Romania
San Marino	Saint Lucia	Saint Vincent and Grenadines	Saudi Arabia
Serbia	Seychelles	Singapore	Slovakia
Slovenia	Spain	Sri Lanka	Sweden
Switzerland	Taiwan	Tajikistan	Thailand
Trinidad and Tobago	Tunisia	Turks and Caicos Islands	Ukraine
United Arab Emirates	United Kingdom	Uruguay	USA
Uzbekistan	Vanuatu	Vatican City	Zambia

HIGHER RISK

A client will be categorised as higher risk if the total investment* is in excess of the investment thresholds listed on page 2 and they are either:

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

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

* Please see the Important section on page 1 for an definition of "total investment".

Higher Risk Countries

Afghanistan	Albania	Algeria	Angola
Anguilla	Barbados	Belarus	Belize
Benin	Bolivia	Bosnia and Herzegovina	Burkina Faso
Burundi	Cambodia	Cameroon	Cape Verde
Cayman Islands	Central African Republic	Chad	China
Comoros	Congo (Democratic Republic)	Congo (Republic of)	Cote d'Ivoire/Ivory Coast
Croatia	Djibouti	East timor	Ecuador
El Salvador	Equatorial Guinea	Eritrea	Eswatini (Swaziland)
Ethiopia	Gabon	Gibraltar	Guinea
Guinea Bissau	Guyana	Haiti	India
Iraq	Jamaica	Jordan	Kenya
Kosovo	Kuwait	Lao PDR/Laos	Lebanon
Lesotho	Liberia	Libya	Madagascar
Maldives	Mali	Micronesia	Montenegro
Montserrat	Mozambique	Namibia	Nepal
Niger	Nigeria	Oman	Pakistan
Palestine	Panama	Papua New Guinea	Philippines
Russia	Rwanda	Sao Tome and Principe	Senegal
Sierra Leone	Soloman Islands	Somalia	South Africa
South Sudan	Sudan	Suriname	Syria
Tanzania	Togo	Tonga	Turkey
Turkmenistan	Uganda	Venezuela	Vietnam
Yemen	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 funds – requirements of evidence as stated above for each source of funds 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.
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

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