

Earlier this year Credo informed you that due to South Africa being placed on the UK's "high-risk third countries", all new accounts linked to South Africa opened directly with Credo would be subject to enhanced due diligence (EDD). As an investment solutions provider to your business, we have been tirelessly looking at ways to ease what was becoming an increasingly onerous and often lengthy account opening process for you and your clients.

Effective immediately, we are pleased to confirm that we will differentiate between High Risk and Higher Risk.

## High Risk

These are accounts which are in the high-risk category only because of their link to SA, i.e. the only high-risk factor is that the person is resident in or their Source of Funds (SoF) or Source of Wealth (SoW) is from SA.

## Higher Risk

Any SA investor who/which has other high-risk factors, for example:

- A higher-risk jurisdiction (e.g. the person is resident in SA but the Source of Wealth is from Iran)
- High risk business activities, for example mining
- The investor is a Politically Exposed Person
- Adverse media and/or sanction

## What does this mean for you?

When opening a new account for a client classified as **High Risk**, we will ask you to provide as much information as possible on the client's SoF and SoW upfront. We would ask that this component of the account opening process be kept front and centre. The more information you can give us upfront, the less likely that we will revert to you with questions. What Credo are aiming for with these questions is to get a detailed picture of the client – critically, how are they funding this investment and how have they accumulated their overall wealth. Apart from the standard due diligence (i.e. proof of address and identity in the case of individuals), the only evidence required for SoF is a certified copy of the bank statement (not older than 3 months) reflecting where the funds for the investment will be paid / transferred from. Where the investments are being transferred in specie, a certified copy of a recent (not older than 3 months') investment statement will be required. No other evidence of SoF or SoW will be required.

Where there is an additional high-risk factor as noted above, your client will be classified as **Higher Risk**. The existing EDD requirements will be required which include documentary evidence of SoF and SoW.

## How to navigate Credo's Requirements

The most important reference guide in terms of understanding what is needed for a client is Credo's **Due Diligence Requirements Guide**. This guide has been updated and is available on the MyCredo InfoHub. For ease of reference, it is also available [here](#) but we would ask that you do not save a copy but rather refer to the latest version on InfoHub as we are continually updating it. We have made a number of enhancements to the Guide following feedback from our clients which include:

- A more detailed explanation of what documentary evidence will be required if your client is subject to EDD
- Confirmation that we can accept a client's tax document as evidentiary proof (where for example the client's SoW is income)
- Reconfirmation that Credo will accept a soft copy utility bill as long as the soft copy original is emailed to Credo
- Detailed examples of what would be considered to be high risk indicators including more information around business activities

The information required on your client's SoF and SoW will be captured in our new account opening forms which we hope to release over the coming weeks. In the interim however, we have prepared a **SoF and SoW Supplemental Form**, also available [here](#). Again, we'd like to emphasise the importance of completing this form in as much detail as possible.

Credo's business has always been about partnership. We are always seeking ways to improve and enhance your experience whilst maintaining our unblemished regulatory standing. Thank you for choosing to work with us, and please continue to share your ideas and suggestions with your Credo Relationship Manager and the wider team.