



Due Diligence Requirements



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Appendix C:	Guidance on jurisdictions Credo considers to be HIGH Risk for the purposes of AML, CTF and CPF.
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Purpose

Credo has produced this Guide and due diligence Checklist to expedite the account opening process for Credo's Financial Intermediary clients.

Introduction

Regulated financial institutions (**FIs**) have an obligation to have effective procedures in place to detect and prevent money laundering (**ML**), terrorism financing (**TF**) and proliferation financing (**PF**). Carrying out due diligence measures enables FIs to learn more about the ML, TF and PF risks posed by their clients/potential clients and prevent or mitigate them. This document sets out Credo's due diligence requirements.

From a due diligence perspective, we have the following risk categories:

Category	Criteria	Requirement
Low	No risk indicators	Simplified due diligence (SDD) or Customer due diligence (CDD) depending on the SDD/reliance status with the FI
Medium	Medium-risk indicators	SDD or CDD depending on the SDD/reliance status with the FI
High	Links to a High-risk jurisdiction and/or High-risk business activities but no other High-risk indicators	Enhanced due diligence (EDD) with evidence of the Source of Funds (SoF)
Higher	Links to Higher-risk business activities or any other High-risk indicators	EDD with additional evidence for Source of Wealth (SoW) and SoF

The Appendices below set out in greater detail the information and documentation required for these categories which are dependent on the following factors:

- The nature of the Investor,
- Whether Credo carries out SDD or places reliance on the Financial Intermediary's CDD,
- Whether onshore (UK) or offshore (Channel Islands) custody is required,
- Whether there are any HIGH Risk indicators of ML, TF and/or PF, based on
- Jurisdiction:
 - A 'connection' to a HIGH Risk jurisdiction may include, but is not limited to, the following scenarios:
 - Residence
 - Nationality
 - Country of incorporation or registration
 - Place of business
 - Source of funds and/or wealth
- Business activity:



The risk level of a business activity has three factors, the nature of the business and the jurisdiction in which the business is undertaken and the nature of the Investor's involvement in the business.

HIGH and HIGHER Risk business activities are deemed to be so for a variety of reasons, cash intensive business models, businesses with increased exposure to corruption/sanctions/proliferation financing, high-value realisable products or more generally historic correlation of the business activities being used for or known as a conduit for money laundering. This is exacerbated if that business is then also undertaken in a HIGH Risk jurisdiction.

- Politically Exposed Persons (**PEPs**):

If the Investor, members of their immediate family, or known close associates, hold or have recently held a prominent public function, there is a greater risk of the client being involved in bribery, corruption, and/or money laundering, especially when the country with which they are associated is considered to be a HIGH Risk.

- Reputation, standing and adverse media:

The reputation and standing of a person can be impaired by allegations of involvement in illegal, illicit or improper activities which manifest in their reputation and media profile. Individuals may have been fined, censured or investigated by law enforcement, regulatory and tax authorities, they could have been prohibited from holding directorships or regulated positions, or they could be subject to allegations or charges of criminal activity, whether current or historic, proved or unproved. The reputation and media profile of a person is therefore an important indicator of potential financial crime risk and any adverse findings may need to be queried further.

- SoW and SoF

SoW refers to the origin of a person's overall/entire body of wealth, i.e., how the Investor acquired their total assets and may comprise multiple sources such as an inheritance as well as accumulated income from regular employment and/or business activities.

SoF refers to the specific funds that are being used to fund the initial and subsequent investments that will be made through Credo and the source/origin of those funds (i.e., where they are coming from).

SoW and/or SoF can trigger high-risk indicators where the generating activity or jurisdiction *in which* the activity occurred OR *from which* the funds will be sent, are classified as HIGH or HIGHER Risk for the activity or HIGH Risk for the jurisdiction.

Further guidance on the above can be found in Appendix B: Increased Risk Situations

This Guide and Checklist are not exhaustive. Credo has a regulatory obligation to assess every application for an Investor account and the circumstances surrounding the application, on a case-by-case basis, to determine what additional information and documentation, if any, is required. It is possible that even where all the information and/or documentation listed below is provided, Credo may request further information and documentation, particularly where the Investor and/or any beneficial owner is resident in a jurisdiction which



Credo regards as being HIGH Risk and is involved in HIGHER Risk business activities or the Investor is regarded as being HIGHER Risk.

The request for additional information and documentation may be necessary to enable Credo to manage its ML, TF and PF risks effectively. The extent of additional information/documentation sought will depend on the risk that Credo believes is posed by the prospective Investor.

Please note that Credo will not engage with legal/natural persons who are:

- subject to financial sanctions;
- illegal immigrants;
- shell banks¹ and anonymous accounts;
- engaged in non-state atomic power industry;
- involved with procuring, manufacturing, distributing unlicensed drugs or illegal adult entertainment;
- involved in human trafficking, modern slavery and illegal wildlife trafficking;
- involved in illegal manufacture, acquisition, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical, or biological weapons and their means of delivery and related materials;

OR,

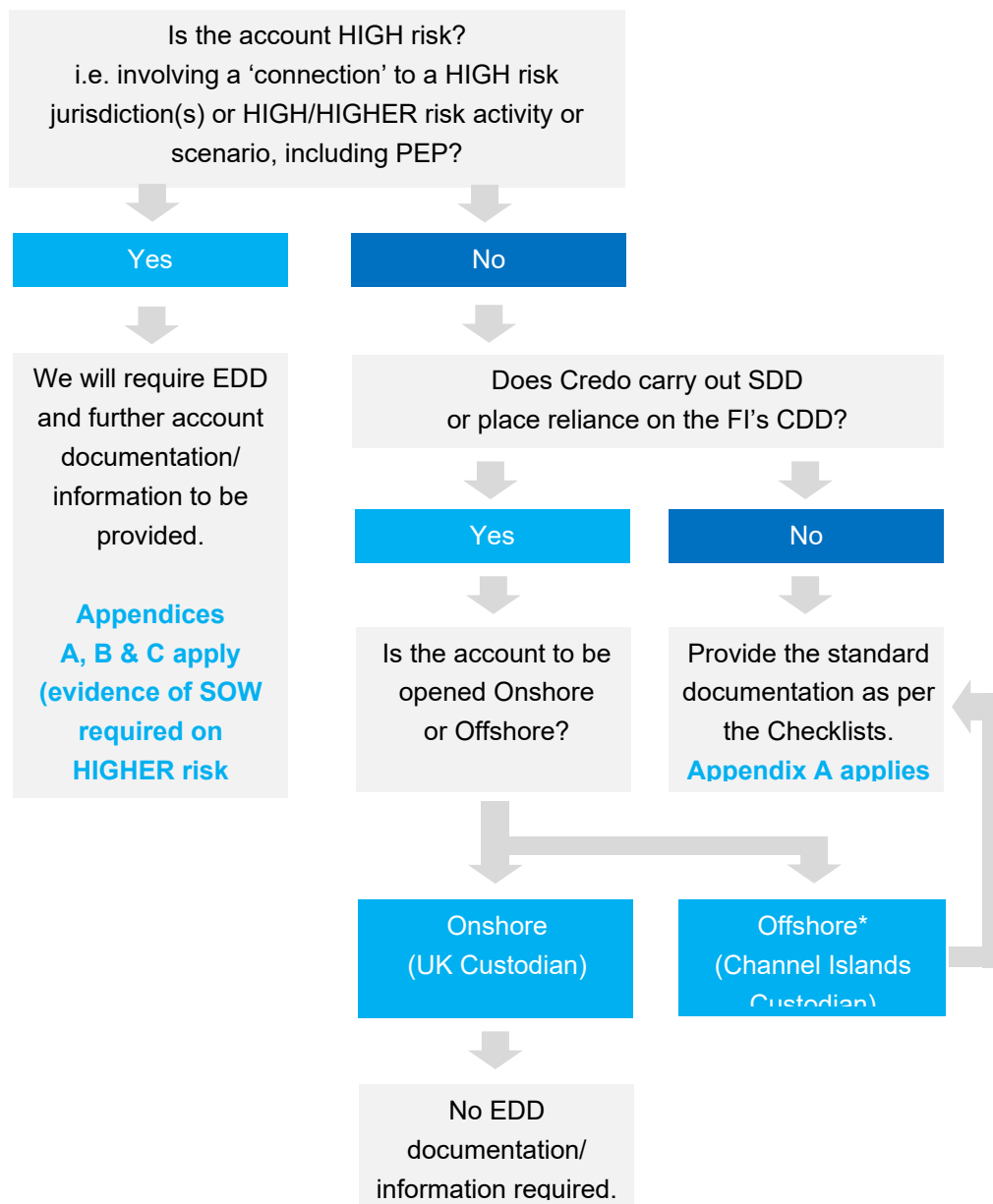
- are resident in any of the following jurisdictions²:
 - Crimea
 - Cuba
 - Democratic Republic of the Congo
 - Haiti
 - Iran
 - Mali
 - Myanmar (Burma)
 - North Korea
 - Russia
 - Somalia
 - South Sudan
 - Syria
 - Venezuela
 - Yemen

¹ a bank incorporated in a jurisdiction in which it has no physical presence, and which is unaffiliated with a regulated financial group

² This list will be updated from time to time



Decision Tree



(*) When opening an account at our offshore custodian, BNY Pershing (Channel Islands), Credo is required to confirm that all new account applications comply with internal due diligence requirements and that Credo has carried out the due diligence itself, has not applied SDD or relied on any party and holds all due diligence documentation.



Appendix A: Standard CDD Checklist

List A – Individuals

Provide the original or a certified copy of one of the identity documents listed below:**

Document Type	Document requirements
Current Passport	The copy must clearly show passport/identity number, full name, photo, date of birth, the expiry date and any extension pages.
National Identity card	<p>UK Identity Cards are not acceptable, South African ID can be accepted in the following circumstances</p> <ul style="list-style-type: none"> ■ The ID book contains issue date and the ID must be certified as a true copy of the original; ■ If the ID book is older than 10 years from the date of issue but does not exceed 20 years this is acceptable if it is also certified as a 'true likeness' of the individual; and ■ If the ID book is older than 20 years, it has to be accompanied by an original certified copy of a valid driver's licence or passport in order to be acceptable.
Driving license	<p>Only licenses of a photo card style are acceptable.</p> <p>The copy must clearly show the license number, full name, photo, date of birth and the expiry date.</p>

Provide original or a certified copy of one of the following proof of address documents:**

Document Type	Document requirements
Bank or building society statement	<ul style="list-style-type: none"> ■ include the individual's residential address. P.O. Box addresses are not acceptable. ■ have been issued within the previous 3 months. ■ Council tax demands must be for the current tax year
Utility bill	
Tax revenue letter	
Credit or debit card statement	<p>If the document is a pdf from a website, the original soft copy pdf³ must be emailed to Credo, as a hard copy print out is not acceptable. This document will be accepted as an original and certification won't be required.</p>
Mortgage statement	
Council tax demand	<p>Please note that mobile phone bills are NOT acceptable.</p>
Driving license	<p>Only licenses of a photo card style with the residential address are acceptable. Note that the driving license can be used as proof of ID or address and not both.</p>

³ This means that the original pdf must be downloaded from the source and sent to us – it mustn't be printed and scanned to us.



List B – Companies

Provide the original or a certified copy** of the documents listed below:

Document Type	Document requirements
Certificate of Incorporation	
Certificate of Incorporation on Change of Name	If applicable
Memorandum and Articles of Association	
Certificate of Good Standing	Only required for companies where a public register is not available to check the status of the company
Evidence of registered address	
Control and ownership structure chart	
List of directors	Provide documents as per List A – Individuals, for all directors who will be giving instructions on the account and no less than 2 directors, unless the company only has 1 director. If any of the directors is not a natural person (i.e. a company) please provide the additional <i>information</i> required in the Corporate Director table below
List of the senior management	If different to directors
Authorised Signatory list	Where any authorised signatory is not also a director, provide documents as per List A – Individuals
Board resolution	Authorising the opening of the Account and conferring authority on those who are to operate it
Register of shareholders	Extracted from the company register or a register of shareholders signed by the company secretary or a director. For each shareholder who owns or controls (directly or indirectly) 25% or more, please provide documents as per List A - Individuals, or List B – Companies * or List C – Trusts* * For companies or Trusts, which are shareholders, Credo does not require a resolution authorising the opening of the Account from the shareholder, their directors' verification of ID and address or their authorised signatory list
Excerpt of persons of significant control	(PSC) register (for UK companies)

Plus provide the original or certified copy** of the documents listed below if there is a Corporate Director:

Document Type	Document requirements
Certificate of Incorporation	
Certificate of Incorporation on Change of Name	If applicable
Memorandum and Articles of Association	
Certificate of Good Standing	Only required for companies where a public register is not available to check the status of the company
Evidence of registered address	
Authorised Signatory list	Provide documents as per List A for each authorised signatory



List C – Trusts

Provide the original or a certified copy of the documents listed below:**

Document Type	Document requirements
Trust deed and any supplements thereto	<p>Or the relevant extracts of the trust deed with the following information:</p> <ul style="list-style-type: none"> ■ Full name of the trust ■ Nature, purpose and objects of the trust t (e.g., discretionary, testamentary) ■ Country of establishment ■ Name of the settlor or similar ■ Names of all Trustees ■ Names of any beneficiaries (or, when relevant, a description of the class of beneficiaries) ■ Name of any protector or controller <p>OR</p> <p>A 'Trustee Confirmation Letter' confirming the above details may be acceptable as an alternative to a copy or extract of the Trust Deed where the Trustees are regulated to provide trust services and are subject to appropriate money laundering standards in a low-risk jurisdiction.</p>
Settlor Confirmation Letter	Where the settlor is not named in the deed, then a letter signed by the Trustees confirming the name of the settlor and the documents as applicable per List A, B or C
Control and ownership structure chart	
Evidence of registration with the Master of the High Court	Applicable to South African trusts only
Proof of registration with the Trust Registration Services	<p>For UK express trusts or non-UK express trusts that are liable for tax on UK assets or income coming from the UK.</p> <p>For more information see https://www.gov.uk/guidance/register-a-trust-as-a-Trustee</p>
Resolution of the Trustees	authorising the opening of the Account and conferring authority on those who are to operate it
List of Trustees	and the documents for each Trustee as per List A. If any of the Trustees are not a natural person (i.e., a Corporate Trustee) please provide the additional information required in the following Corporate Trustee table.
Authorised signatory list	(and where this differs from the Trustees of the Trust) the documents for each authorised signatory as applicable per List A, B or C
Identification documents	<p>Documents as per List A, B, C or Corporate Trustees, as applicable for the following:</p> <ul style="list-style-type: none"> ■ Each Trustee ■ Each protector and/or controller ■ Each beneficiary of a non-discretionary trust ■ Each beneficiary of a discretionary trust who received a benefit from the trust and for those who haven't, a letter signed by the Trustees confirming: the name of the beneficiary; and undertaking to: inform us when such beneficiary receives benefit from the trust; and provide their documents.



Plus provide the original or a certified copy of the documents listed below for the Corporate Trustees:**

Document Type	Document requirements
Certificate of Incorporation	
Certificate of Incorporation on Change of Name	(if applicable)
Memorandum and Articles of Association	
Certificate of Good Standing	Only required for companies where a public register is not available to check the status of the company
Evidence of registered address	
Excerpt of persons of significant control	(PSC) register (for UK companies)
Authorised Signatory list	Where this differs from the Trustees of the Trust please provide documents as per List A for each authorised signatory
Proof of regulatory status	(if applicable) Note that if the Corporate Trustee is regulated in a low-risk jurisdiction, the identification and verification of beneficial owners and directors of the Corporate Trustee won't be required i.e. the remaining documents listed below for Corporate Trustees won't be necessary.
Control and ownership structure chart	A detailed control and ownership structure chart, including the percentage of ownership and/or control and the jurisdictions of the parent entities and their directors' names and for each ultimate individual owner who owns or controls 25% or more, please provide documents as per List A - Individuals
List of directors	Provide documents as per List A – Individuals, for all directors who will be giving instructions on the account and no less than 2 directors. If any of the directors is not a natural person (i.e., a company) please provide the additional information required in the Corporate Director table above
List of the senior management	If different to directors
List of the shareholders extracted from company register	

****Certification Requirements:**

The due diligence documents must be certified with words which indicate the original document has been seen and the copy is a true copy of the original, by one of the following: a Commissioner of Oaths, Notary Public, Justice of the Peace, lawyer, accountant, or a regulated person⁴ (including their authorised signatories, provided that we have their due diligence). Self-certification is NOT acceptable, save that certification by the registered company secretary of a corporate will be acceptable. Certification must include the certifier's name, signature, certifying capacity, date of certification, contact details (where this is not obvious) and be independent of the party concerned. Where the certification is not from a Credo FI client,

⁴ This includes Trustees who provide regulated professional trust services



Credo will require confirmation that the FI Client has seen the original certified copy, otherwise the original certified copies should be posted to Credo.

Appendix B: Increased Risk Situations

Below is some guidance regarding likely situations whereby an increased risk of ML, TF and PF is presented and the further information and documentation that *may* be required.

It should be noted that any documentation provided as part of EDD should originate from independent, verifiable sources and should be certified.

'Connection' with a HIGH Risk jurisdiction

Increased risk of ML, TF and/or PF identified	Where an application has a 'connection' with such a jurisdiction this presents an increased risk of ML, TF or PF because the country may not be in full compliance with international standards to prevent such offences and/or the country has a known exposure to high levels of criminal activity, corruption or terrorism.
Possible measures	<p>EDD If an application has a 'connection' with a HIGH Risk jurisdiction it is likely that the most appropriate initial EDD measures to be undertaken will be:</p> <ul style="list-style-type: none"> Information and verification of the SoF that will be used to fund the account at Credo. Typically, we will ask for a description of how the funds were obtained, where they are currently held and where they will be sent from to Credo, and a document evidencing the funds in situ in a first party bank, savings or investment account, such as a statement of the account showing the funds to be transferred to Credo. Further information establishing the SoW of the Investor and their beneficial owner where applicable. This will involve information about the full extent of the Investor's wealth as a whole, and how this was obtained or accumulated. Further information about the purpose and intended nature of the Investor's business relationship with both Credo and the FI. Enhanced monitoring of the account. <p>See below under the heading "Common SoF/SoW and appropriate documentary evidence" for examples of common activities that may have given rise to the SoF /SoW and, where required, examples of supporting documentation that may be used to verify the SoF and SoW.</p> <p>It may be that the SoF/SoW has been generated from a number of different sources, in which case and depending on the risk presented, it may be appropriate to seek further information regarding each activity that generated the SoF and SoW.</p>

Asset Swap Accounts

EDD on a risk-based approach	<p>Although asset swap accounts are high risk as the asset swap provider (the ASP) is located in South Africa (currently a HIGH Risk jurisdiction), the nature of the account results in a lower degree of risk as the flow of assets is always through the ASP (typically a financial institution) using its foreign investment allowance.</p> <p>EDD measures to be undertaken will be:</p> <ul style="list-style-type: none"> Credo performs the EDD on the ASP (with the SoF always being the ASP's funds). CDD as per Appendix A on the Investor (who is the beneficial owner of the account). Further information establishing the SoW of the Investor and their beneficial owner where applicable. This will involve information about the full extent of the Investor's wealth as a whole, and how this was obtained or accumulated. Further information about the purpose and intended nature of the Investor's business relationship with both Credo and the FI.
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- The Investor's SoW will only need to be *verified* when the Investor or their beneficial owner, where applicable, is a PEP, has adverse media or queries arise through transaction monitoring.
- Enhanced monitoring of the account.

See below under the heading "**Common SoF/SoW and appropriate documentary evidence**" for examples of common activities that may have given rise to the SoF /SoW and, where required, examples of supporting documentation that may be used to verify the SoF and SoW.

It may be that the SoW has been generated from a number of different sources, in which case and depending on the risk presented, it may be appropriate to seek further *information* regarding each activity that generated the SoW and where appropriate to *verify* the activity.

Politically Exposed Persons (PEPs)

<p>Increased risk of ML, TF and/or PF identified</p>	<p>As PEPs pose an increased risk of bribery and corruption it is necessary to gain a greater understanding of what the PEP's exact role and/or function is in the relevant Government/parastatal institution/public institution in which they perform/have performed the role which gives/gave rise to their PEP status during the previous 12 month period or longer (in South Africa (SA) a person may retain their PEP status indefinitely even when they cease to be a PEP), and consider how they may be exposed to bribery and corruption.</p> <p>Further consideration needs to be given to whether the PEP is still in office or has ceased to perform the role/function.</p>
<p>Examples of Prominent Public Functions</p>	<ul style="list-style-type: none"> ■ Heads of state, heads of government, ministers and deputy or assistant ministers. ■ Members of parliament or of similar legislative bodies. ■ Members of the governing bodies of political parties. ■ Members of supreme courts, of constitutional courts or of any judicial body the decisions of which are not subject to further appeal except in exceptional circumstances. ■ Members of courts of auditors or of the boards of central banks. ■ Ambassadors, charges d'affaires and high-ranking officers in the armed forces. ■ Members of the administrative, management or supervisory bodies of State-owned enterprises. ■ Directors, deputy directors and members of the board or equivalent function of an international organisation. <p>PEP status extends to members of their immediate families⁵ and to known close associates⁶.</p>
<p>Possible EDD measures</p>	<p>Consideration will be given to the influence that the PEP has in their role, the level of the organisation to which the PEP is exposed and if there are any further checks and balances imposed on them within their role.</p> <p>The EDD measures to be undertaken will be:</p> <ul style="list-style-type: none"> ■ <i>Information</i> and <i>verification</i> of the SoF that will be used to fund the account at Credo. Typically, we will ask for a description of how the funds were obtained, where they are currently held and where they will be sent from to Credo, and a document evidencing the funds in situ in a first party bank, savings or investment account, such as a statement of the account showing the funds to be transferred to Credo. ■ Further <i>information</i> and <i>verification</i> of the SoW of the Investor and their beneficial owner where applicable. This will involve <i>information</i> about the full extent of the Investor's wealth as a whole, and how this was obtained or accumulated and documents evidencing the SoW, (unless the PEP is a UK domestic PEP in which event, <i>verification</i> may not be required of the SoW if they are deemed as lower risk). ■ If the PEP is no longer in position, evidence of such e.g., a letter of resignation as well as a declaration and <i>information</i> on any further government interests or activities, where we cannot determine this ourselves from online sources.

⁵ Spouse, or civil partner; children and their spouses or civil partner; parents; and brothers and sisters of a PEP.

⁶ An individual known to have joint beneficial ownership of a legal entity or a legal arrangement or any other close business relationship with a PEP; an individual who has sole beneficial ownership of a legal entity or a legal arrangement that is known to have been set up for the benefit of a PEP.



- Further adverse media screening.
- Further *information* about the purpose and intended nature of the Investor's business relationship with both Credo and the FI.
- In addition, checks may be undertaken on any funds to be received in the future into the account linked to the activity of the PEP.
- Enhanced monitoring of the account.

Any additional checks will vary depending on the role that the PEP performs/ed and whether the PEP is still in office or not.

It may be that the SoF/SoW has been generated from a number of different sources, in which case and depending on the risk presented, it may be appropriate to seek further *information* and *verification* of each activity.

See below under the heading "**Common SoF/SoW and appropriate documentary evidence**" for examples of common activities that may have given rise to the SoF /SoW and, where required, examples of supporting documentation that may be used to verify the SoF and SoW.

Where an application includes a corporate entity, and the application is deemed to be HIGHER Risk, the threshold for conducting due diligence on shareholders may be altered from those with 25% or greater shareholding to those with 5% or greater shareholding for accounts "connected" with SA and for the non-SA accounts those with 10% or greater shareholding.

High Risk Situation

Involvement in a HIGH/ HIGHER Risk business activity

Increased risk of ML, TF and/or PF identified

Certain business activities carry with them an inherently HIGH/HIGHER Risk of ML, TF and/or PF due to the nature of the business activity, the service or product involved and the fact that these business activities are widely recognised as giving rise to an increased risk of ML, TF and/or PF or being used to facilitate such activities. Consideration will be given to the Investor's connection with the business, usually only senior managers and/or beneficial owners of the business would fall into the HIGH/HIGHER Risk categories.

Examples of HIGH Risk business activities

- Utilities (electricity⁷, gas, water, waste).
- Oil, Gas and Nuclear energy, Commodities, Mining (including extraction, processing and trading).
- Retail / Wholesale of High-Value goods including precious metals, luxury cars, boats, art and antiques.
- Unregulated Property businesses with revenue from property construction or property purchases and sales.
- Regulated gaming/gambling businesses including casinos, internet gambling, betting shops in low/medium risk jurisdictions.
- Tobacco, alcohol, legal adult entertainment.
- Healthcare and pharmaceuticals (sales, marketing and manufacturing).

Examples of HIGHER Risk business activities

- Cash-intensive business (convenience stores, restaurants, retail stores, liquor stores, privately owned automated teller machines (**ATM**), parking garages, vending machine operators – provided that the businesses are mainly cash operated).
- Unregulated gaming/gambling businesses including casinos, internet gambling, betting shops and those regulated in HIGH Risk jurisdictions.
- Cryptocurrency.
- Arms, weapons, military supplies.
- Manufacture, acquisition development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical, or biological weapons and their means of delivery and related materials.
- Procurement contracts/Public works/ mining prospecting/exploration.

Possible EDD measures

If the 'connection' is to a HIGH Risk business activity through a senior position in the business or ownership, EDD measures to be undertaken will be:

⁷ Excluding solar energy



- *Information and verification* of the SoF that will be used to fund the account at Credo. Typically, we will ask for a description of how the funds were obtained, where they are currently held and where they will be sent from to Credo, and a document evidencing the funds in situ in a first party bank, savings or investment account, such as a statement of the account showing the funds to be transferred to Credo.
- Further *information* establishing the SoW of the Investor and their beneficial owner where applicable. This will involve *information* about the full extent of the Investor's wealth as a whole, and how this was obtained or accumulated.
- Further *information* about the purpose and intended nature of the Investor's business relationship with both Credo and the FI.
- Enhanced monitoring of the account.

If an application has a 'connection' with a HIGHER Risk business activity through a senior position or business or ownership, besides the EDD measures listed for HIGH Risk business we will also require: documentary evidence, to *verify* the SoW of the Investor and their beneficial owners where applicable and further adverse media screening.

See below under the heading "**Common SoF/SoW and appropriate documentary evidence**" for examples of common activities that may have given rise to the SoF /SoW and, where required, examples of supporting documentation that may be used to verify the SoF and SoW.

It may be that the SoF/SoW has been generated from a number of different sources, in which case and depending on the risk presented, it may be appropriate to seek further *information and verification* of each activity.

Where an application includes a corporate entity, and the application is deemed to be HIGHER Risk, the threshold for conducting due diligence on shareholders may be altered from those with 25% or greater shareholding to those with 5% or greater shareholding for accounts "connected" with SA and for the non-SA accounts those with 10% or greater shareholding.

High Risk Situation	Adverse media
Increased risk of ML, TF and/or PF identified	Where an Investor, one or more of its beneficial owners or persons acting on their behalf have adverse media indicating potential involvement in alleged criminal activity, this presents an increased risk as the SoF/SoW may be the proceeds of crime which could bring financial, reputational and other types of risks to the business.
Possible EDD measures	<p>If adverse media is identified it is likely that the most appropriate initial EDD measures to be undertaken will be:</p> <ul style="list-style-type: none"> ■ Additional <i>information</i> and documents concerning the adverse media to address the risks presented, such as a court order as proof of innocence. ■ <i>Information and verification</i> of the SoF that will be used to fund the account at Credo. Typically, we will ask for a description of how the funds were obtained, where they are currently held and where they will be sent from to Credo, and a document evidencing the funds in situ in a first party bank, savings or investment account, such as a statement of the account showing the funds to be transferred to Credo. ■ Further <i>information and verification</i> of the SoW of the Investor and its beneficial owner(s) where applicable. This will involve <i>information</i> about the full extent of the Investor's wealth as a whole, how this was obtained or accumulated and documents evidencing the SoW. ■ Further adverse media screening. ■ Further <i>information</i> about the purpose and intended nature of the Investor's business relationship with both Credo and the FI. ■ Enhanced monitoring of the account.

See below under the heading "**Common SoF/SoW and appropriate documentary evidence**" for examples of common activities that may have given rise to the SoF /SoW and, where required, examples of supporting documentation that may be used to verify the SoF and SoW.

Where an application includes a corporate entity, and the application is deemed to be HIGHER Risk, the threshold for conducting due diligence on shareholders may be altered from those with 25% or greater



shareholding to those with 5% or greater shareholding for accounts “connected” with SA and for the non-SA accounts those with 10% or greater shareholding.

High Risk Situation

Unusual or large transactions

Increased risk of ML, TF and/or PF identified

Where ongoing monitoring indicates large or unusual transactions or patterns, or transactions whose economic or legal purpose is unclear on an Investor’s account, this presents an increased risk as it may indicate that the account is being used to launder the proceeds of crime.

Possible EDD measures

If large or unusual transactions or patterns are detected, we will enquire and potentially request EDD measures to be undertaken as follows:

- *Information* on the rationale for the transactions.
- *Information and verification* of the SoF being sent to the account at Credo⁸. Typically, we will ask for a description of how the funds were obtained, where they were held before being sent to Credo, and a document evidencing the funds in situ in a first party bank, savings or investment account, such as a statement of the account showing the funds to be transferred to Credo.
- Further *information and verification* of the SoW of the Investor and its beneficial owner(s) where applicable. This will involve *information* about the full extent of the Investor’s wealth as a whole, how this was obtained or accumulated and documents evidencing the SoW.
- Further *information* about the purpose and intended (ongoing) nature of the Investor’s business relationship with both Credo and the FI.
- Further adverse media screening.
- Enhanced monitoring of the account.

See below under the heading “**Common SoF/SoW and appropriate documentary evidence**” for examples of common activities that may have given rise to the SoF /SoW and, where required, examples of supporting documentation that may be used to verify the SoF and SoW.

Where an application includes a corporate entity, and the application is deemed to be HIGHER Risk, the threshold for conducting due diligence on shareholders may be altered from those with 25% or greater shareholding to those with 5% or greater shareholding for accounts “connected” with SA and for the non-SA accounts those with 10% or greater shareholding.

Common SoF/SoW and examples of appropriate documentary evidence

Common SoF	Examples of appropriate documentary evidence	Comment
Savings	Bank statement of accumulated savings (last 3 months)	Evidence should be for at least 3 continuous months
Investment account	Transaction summary statement and valuation of the investment account (last 3 months)	Evidence should be for at least 3 continuous months

Common SoW	Examples of appropriate documentary evidence	Comment
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⁸ If not verified at the start of the relationship



Accumulated earnings from employment	<p>Proof of Earnings - Employed</p> <ul style="list-style-type: none"> Recent payslips; OR Confirmation from employer of employment and earnings; OR Tax documentation (i.e., P60 (UK), IRP5/ITA34 (SA), or tax return, etc.); AND Evidence of remuneration being received in a bank account. <p>Proof of Earnings – Self-employed</p> <ul style="list-style-type: none"> Formal tax computation from a regulated accountant; OR The relevant tax document submitted to Revenue Authorities; AND evidence of remuneration being received in a bank account (last 3 months). <p>Proof of Earnings - Retired</p> <ul style="list-style-type: none"> Employment contract from last position or payslips; OR The relevant tax document submitted to Revenue Authorities prior to retirement; AND Curriculum Vitae or description of relevant work history say for the 10 years prior to retirement; AND Where possible, bank statements from period of previous employment showing remuneration being received. <p>South African Revenue Services (SARS) Tax Clearance approval for international transfer</p> <ul style="list-style-type: none"> SARS overall tax compliance result letter approving international transfer; AND SARS tax compliance PIN. 	<p>Evidence should be for at least 3 continuous months during period of employment even if historical.</p> <p>Please provide start date of retirement and as much evidence as possible from the examples.</p> <p>Alternative evidence to the above requirements.</p>
Dividends/Interest from company ownership	<p>Proof of Dividends/Interest</p> <ul style="list-style-type: none"> Relevant company register showing % shareholding e.g., Certificate of Incorporation and shareholder register; AND Last three annual (audited) accounts showing payment of dividend; OR Letter from the business confirming dividend payment; AND Evidence of dividends/interest being received (for at least 3 dividend payments) in a bank account. <p>SARS Tax Clearance approval for international transfer</p> <ul style="list-style-type: none"> SARS overall tax compliance result letter approving international transfer; AND SARS tax compliance PIN. 	<p>Alternative evidence to the above requirements.</p>
Sale of business	<p>Proof of Sale proceeds</p> <ul style="list-style-type: none"> Relevant company register showing % shareholding e.g., Certificate of Incorporation and shareholder register; AND Evidence of sale of the business such as a copy of the sale and purchase agreement; OR A letter from a licensed solicitor confirming the sale amount, seller, buyer, name of the business; AND 	



	<ul style="list-style-type: none"> ▪ Evidence of sale proceeds being received in the Investor's account. <p>SARS Tax Clearance approval for international transfer</p> <ul style="list-style-type: none"> ▪ SARS overall tax compliance result letter approving international transfer; AND ▪ SARS tax compliance PIN. 	Alternative evidence to the above requirements.
Inheritance	<p>Proof of inheritance, who from and their SoW</p> <ul style="list-style-type: none"> ▪ Relevant Will/Testament setting out the inheritance; OR ▪ Executor/ solicitor's letter confirming inheritance payment, name of deceased and beneficiaries and distribution of inheritance; AND ▪ Evidence of money being received in the Investor's account. <p>SARS Tax Clearance approval for international transfer</p> <ul style="list-style-type: none"> ▪ SARS overall tax compliance result letter approving international transfer; AND ▪ SARS tax compliance PIN. 	<p>Where funds for investment do not originate from the account holder, such as in these cases, we will need to know who they came from and how the funds were accumulated. Information about the deceased's SoW may be sufficient where verification isn't possible.</p> <p>Alternative evidence to the above requirements.</p>
Divorce Settlement	<p>Proof of divorce settlement, who from and <i>information</i> about the ex-spouse's SoW</p> <ul style="list-style-type: none"> ▪ Copy of the divorce settlement/appropriate settlement judgment; OR ▪ Settlement agreement between the parties; AND ▪ Evidence of money being received in the account. <p>SARS Tax Clearance approval for international transfer</p> <ul style="list-style-type: none"> ▪ SARS overall tax compliance result letter approving international transfer; AND ▪ SARS tax compliance PIN. 	Alternative evidence to the above requirements.
Gift	<p>Proof of donor's identity and address, and <i>information</i> about the donor's SoW, but <i>verification</i> if HIGHER Risk</p> <ul style="list-style-type: none"> ▪ Letter from donor confirming the gift; AND ▪ Evidence of funds being received into Investor's bank account <p>SARS Tax Clearance approval for international transfer</p> <ul style="list-style-type: none"> ▪ SARS overall tax compliance result letter approving international transfer; AND ▪ SARS tax compliance PIN. 	Alternative evidence to the above requirements.
Property Sale	<p>Proof of sale proceeds</p> <ul style="list-style-type: none"> ▪ Copy of sale contract; OR, if not available, ▪ Letter from a licensed solicitor / regulated accountant, stating property address, date of sale, proceeds received, and name of purchaser and seller along with the solicitors' statement of completion; AND ▪ Bank statement as evidence of money being received in the account. <p>SARS Tax Clearance approval for international transfer</p> <ul style="list-style-type: none"> ▪ SARS overall tax compliance result letter approving international transfer; AND 	Alternative evidence to the above requirements.



	<ul style="list-style-type: none"> SARS tax compliance PIN 	Alternative evidence to the above requirements.
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Earnings from Investments/ Investment growth	Proof of investments <ul style="list-style-type: none"> Evidence of investments held, Investor statement or similar (last 3 months); AND Where applicable performance report showing growth since inception. 	
	SARS Tax Clearance approval for international transfer <ul style="list-style-type: none"> SARS overall tax compliance result letter approving international transfer; AND SARS tax compliance PIN 	Alternative evidence to the above requirements.

Loan/Finance	Proof of loan/finance <ul style="list-style-type: none"> Evidence of loan/finance agreement and bank statement showing the receipt of funds. 	
	SARS Tax Clearance approval for international transfer <ul style="list-style-type: none"> SARS overall tax compliance result letter approving international transfer; AND SARS tax compliance PIN. 	Alternative evidence to the above requirements.

Business activities	Evidence of business activities <ul style="list-style-type: none"> Last 3 annual audited accounts; OR if not audited- <ul style="list-style-type: none"> Letter from a regulated accountant confirming turnover, net profits and cash available; OR Evidence of contracts/business undertaken; AND Bank statements for the business (at least 3 months); AND Evidence of registration/supervision by an appropriate professional body/regulatory authority (if applicable). 	
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Distributions from Trusts	Proof of distributions, from the trust and the settlor and trust's SoW information <ul style="list-style-type: none"> Trustee's letter confirming the jurisdiction of the trust, the name of the trust, Trustee, settlor, beneficiary receiving distribution, the distribution amount and date; AND Evidence of money being received in the Investor's account (last 3 distributions). 	Where funds for investment do not originate from the account holder, such as in these cases, we will need to know who they came from and how the funds were accumulated.
	SARS Tax Clearance approval for international transfer <ul style="list-style-type: none"> SARS overall tax compliance result letter approving international transfer; AND SARS tax compliance PIN. 	Alternative evidence to the above requirements.

In addition, please provide the following in relation to all HIGH and HIGHER Risk clients:



- The purpose and intended nature of the business relationship⁹ with Credo;
- Detailed description of **SoF and SoW** of the Investor and their beneficial owners (if applicable), including the jurisdictions where the funds have been generated; and
- For HIGHER Risk Investors identification and verification of beneficial owners/controllers holding, controlling or entitled to 5% or more of a SA connected entity and 10% or more of the non-SA entities as noted above.

Appendix C: High Risk Jurisdictions

Below is a list of some of the jurisdictions which Credo rates as posing an increased risk of ML, TF and/or PF which includes those jurisdictions which FATF has added to its grey and black lists as well as other jurisdictions that Credo has assessed as posing an increased risk of ML, TF and/or PF.

This list is not exhaustive, and we reserve the right to make a judgement about the geographic risk posed by jurisdictions connected with applications received on a case-by-case basis.

Where an application has a connection to one of the jurisdictions listed below, EDD will be required.

HIGH Risk Jurisdictions

- | | | |
|----------------------------------|------------------------------------|--------------------------|
| ▪ Afghanistan | ▪ Haiti | ▪ Philippines |
| ▪ Albania | ▪ India | ▪ Puerto Rico |
| ▪ Algeria | ▪ Indonesia | ▪ Qatar |
| ▪ Angola | ▪ Iran | ▪ Russia |
| ▪ Argentina | ▪ Iraq | ▪ Saint Lucia |
| ▪ Bahamas | ▪ Jamaica | ▪ Saudi Arabia |
| ▪ Bahrain | ▪ Jordan | ▪ Senegal |
| ▪ Barbados | ▪ Kazakhstan | ▪ Serbia |
| ▪ Belize | ▪ Kenya | ▪ Seychelles |
| ▪ Bosnia-Herzegovina | ▪ Lao People's Democratic Republic | ▪ South Africa |
| ▪ Brazil | ▪ Lebanon | ▪ South Sudan |
| ▪ Bulgaria | ▪ Lesotho | ▪ Sri Lanka |
| ▪ Burkina Faso | ▪ Liberia | ▪ Syria |
| ▪ Burundi | ▪ Libya | ▪ Taiwan |
| ▪ Cambodia | ▪ Malawi | ▪ Tanzania |
| ▪ Cameroon | ▪ Mali | ▪ Thailand |
| ▪ Cayman Islands | ▪ Marshall Islands | ▪ Trinidad and Tobago |
| ▪ China | ▪ Mexico | ▪ Tunisia |
| ▪ Colombia | ▪ Moldova | ▪ Turkey |
| ▪ Congo, the Democratic Republic | ▪ Monaco | ▪ Turks & Caicos Islands |
| ▪ Cote d'Ivoire | ▪ Morocco | ▪ UAE |

⁹ Nature and purpose of the business relationship is the information collected to understand why the Investor wants to enter a business relationship, what is their purpose for having the account i.e. growth, income, estate planning, etc and what they intend to do with the account i.e. invest in equities and funds, to dematerialise shares, etc.



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|----------------------|--------------------|-------------|
| ▪ Croatia | ▪ Mozambique | ▪ Uganda |
| ▪ Dominican Republic | ▪ Myanmar (Burma) | ▪ Ukraine |
| ▪ Ecuador | ▪ Namibia | ▪ Vanuatu |
| ▪ Egypt | ▪ Nicaragua | ▪ Venezuela |
| ▪ Eswatini | ▪ Nigeria | ▪ Vietnam |
| ▪ Ethiopia | ▪ North Korea | ▪ Yemen |
| ▪ Gambia | ▪ Pakistan | ▪ Zambia |
| ▪ Ghana | ▪ Panama | ▪ Zimbabwe |
| ▪ Guyana | ▪ Papua New Guinea | |

Appendix D: SoW Questions and Guidelines

The following questions reflect the *information* required for SoW and when *verification* in the form of documentary evidence may be required.

SoW	Information required	Verification Required?
Employment (if retired details of previous profession)	Employed/Self-Employed	
	Name of Employer/Business	
	Position held	
	Nature of Business	Yes, if in the list of HIGHER Risk business activities and the Investor holds a senior position or ownership
	Place of work	
	Annual Salary/Amount of annual profit	
	Last annual bonus	
	Retirement date (if applicable)	
Capital Investment Company, Dividends/Interest from Business or Sale of Business	Capital from Company, Dividends/Interest or sale of business	
	Name of Business	
	Nature of Business Activity	Yes, if in the list of HIGHER Risk business activities
	Position held	
	Jurisdiction of incorporation of business and jurisdiction where business is carried on, if different	
	Date of sale / Date capital/dividend or interest received	
	Sale proceeds/ Amount or value of capital received or amount of dividend/interest received	
	SoW of the initial investment	Yes, if in the list of HIGHER Risk business activities and they



	hold/held a senior position or ownership
Jurisdiction/s of the SoW of the initial investment	

Investment Growth

Name of Investment firm	
Value of investments	
Type of investments	Yes, if un-listed/OTC and the companies are carrying out HIGHER Risk business activities
Jurisdiction of investment	
SoW of the initial investment	Yes, if in the list of HIGHER Risk business activities and they hold/held a senior position or ownership
Jurisdiction/s of the SoW of the initial investment	

Inheritance

Gift

Divorce

Inheritance, gift or divorce	
Full name of deceased/donor/ex-spouse	
Relationship with deceased/donor	
Date of birth of deceased/donor/ex-spouse	
Country of residence	
SoW of deceased/donor/ex-spouse	Yes, if in the list of HIGHER Risk business activities and they hold/held a senior position or ownership
In which jurisdiction/s was their wealth generated?	
Date inheritance/gift/settlement received	
Amount received from inheritance/gift/divorce settlement	

Property Sale

SoW of the initial investment	Yes, if in the list of HIGHER Risk business activities and they hold/held a senior position or ownership
Jurisdiction/s of the SoW of the initial investment	
Jurisdiction of property	



Residential / Commercial Property
How long was the property owned?
Total sale amount

Loan/Finance

Name of the lender	
Relationship with the lender	
Lender's date of birth (if applicable)	
Country of residence	
SoW of lender	Yes, if in the list of HIGHER Risk business activities and where lender is a natural person, they hold/held a senior position or ownership
In which jurisdiction/s was their wealth generated?	
Date of loan/finance	
Total loan/finance amount	

Business activities

Name of Business	
Nature of Business Activity	Yes, if in the list of HIGHER Risk business activities
Jurisdiction of business operations	
Is the business regulated by a professional body/regulatory authority?	
Annual profit of the business	
SoW of beneficial owner(s)	Yes, if in the list of HIGHER Risk business activities and they hold/held a senior position or ownership
In which jurisdiction/s was the beneficial owner(s) wealth generated?	

Distribution from trusts

Trust's name
Jurisdiction
Trustees' name
Settlor's name
Settlor's date of birth
Settlor's country of residence



	SoW of settlor	Yes, if in the list of HIGHER Risk business activities and they hold/held a senior position or ownership
	In which jurisdiction/s was the settlor's wealth generated?	
	Recipient's relationship with settlor	
	Date distribution/s received	
	Amount received from distributions	
Other	How was SoW generated	Yes, if in the list of HIGHER Risk business activities and they hold/held a senior position or ownership
	Jurisdiction where SoW was generated	
	Value of SoW	

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