

Process to open Deliver vs Payment (**DVP**) accounts for Funds

Background

Customer due diligence (**CDD**) requirements for DVP accounts vary depending on the nature of the Investor and their relationship with the financial intermediary (**FI**). Please contact clientservices@credogroup.com to determine:

- the CDD requirements for DVP accounts that are not for Funds; or
- whether the FI client relationship is directly with the Fund, i.e. the Fund's directors provide instructions to the FI.

This guidance has been prepared for Fund DVP accounts where the client relationship is between the FI and the Fund's investment manager (**IM**).

An execution-only Fund DVP account is deemed as a correspondent securities relationship and the level of CDD depends on the regulatory status and risk profile of the IM:

- Simplified due diligence (**SDD**) measures may be conducted on IMs which are Appropriately Regulated¹ in low-risk jurisdictions;
- Enhanced due diligence (**EDD**) measures *must* be conducted on the IM **and** basic due diligence should be collected on the Fund (such as the Fund's prospectus, fact sheet, or minimum disclosure document (**Fund's DD**)) where the IM is not Appropriately Regulated in a low-risk jurisdiction.

Assumed Operational Structure

- The FI (our client) acts as broker for Fund trades on a DVP basis.
- The FI's client is the IM of each Fund.
- Due Diligence:
 - The FI conducts SDD or EDD (as appropriate) on the IM, obtains the Fund's DD and provides the SDD or EDD to Credo for account opening².
 - IMs may set up different Fund accounts with different SSI numbers, but key data generally remains consistent; therefore, once the SDD or EDD has been conducted on the IM, the account opening process for new Funds with the same IM is simplified.

Credo Requirements

- Certified copies of the IM's SDD or EDD documents (details below)
- Basic Fund details (SSI and Fund's DD).
- [Wolfsberg Group Financial Crime Compliance Questionnaire](#) completed by the IM.

¹ IMs assessed as presenting a low money laundering risk, taking account of whether they are based within the UK or the EU and subject to local law implementing the EU Fourth Money Laundering Directive (**4MLD**) (and supervised for compliance), in non-EU jurisdictions and subject to requirements in relation to CDD and record keeping which are equivalent to those laid down in 4MLD (and supervised for compliance), or in assessed low risk jurisdictions and applying equivalent CDD and record keeping requirements.

² Where Credo applies SDD or places reliance on the FI and the IM is Appropriately Regulated, then the copies of the SDD do not need to be sent for account opening.

SDD³ Requirements for IM

Document	Requirement
Company details extracted from the company's register	<ul style="list-style-type: none"> Mandatory for the IM
Evidence of regulatory status	<ul style="list-style-type: none"> Mandatory for the IM
List of directors	<ul style="list-style-type: none"> Identify all executive directors
Control and ownership structure chart	<ul style="list-style-type: none"> Mandatory for the IM
AML Controls	<ul style="list-style-type: none"> Mandatory – Wolfsberg Financial Crime Compliance Questionnaire

EDD⁴ Requirements for IM

Document	Requirement
Certificate of Incorporation OR Certificate of Good Standing/Incumbency	<ul style="list-style-type: none"> Mandatory for the IM
Certificate of Incorporation on Change of Name	<ul style="list-style-type: none"> Required if name changed in past 6 years or unclear from public register
Memorandum & Articles of Association	<ul style="list-style-type: none"> Mandatory for the IM
Evidence of registered address	<ul style="list-style-type: none"> Mandatory for the IM
List of directors	<ul style="list-style-type: none"> Identify all executive and non-executive directors
List of the senior management	<ul style="list-style-type: none"> Identify CEO, COO and CFO, or equivalent (note Key Individuals for South African regulated firms)
Control and ownership structure chart	<ul style="list-style-type: none"> Mandatory for the IM
Register of shareholders	<ul style="list-style-type: none"> Extracted from the company register or a register of shareholders signed by the company secretary, a director or registered auditors Mandatory for the IM
Intermediate legal and beneficial owners (25% or more) DD	<ul style="list-style-type: none"> Certificate of Incorporation or Certificate of Good Standing/Incumbency for each layer Internal shareholder register or extract from a relevant public register of companies for each layer Identify all shareholders of this entity that are legal entities or arrangements, and which indirectly control ≥ 25% of the client Identify all UBOs who control ≥ 25% of the client
UBOs owning/controlling 25% or more of final layer (based on new approach for SA entities)	<ul style="list-style-type: none"> ID&V for all
Directors' DD	<ul style="list-style-type: none"> ID&V for 2 most senior executive directors (that are not UBOs)
AML Controls	<ul style="list-style-type: none"> Mandatory – Wolfsberg Financial Crime Compliance Questionnaire

³ Where the IM is Appropriately Regulated.

⁴ Where the IM is not Appropriately Regulated.

Account Opening Instructions

The FI must send an email with the agreed documentation, see *Submission Checklist (FI to provide)* below to AccountOpening@credogroup.com

The signed account opening letter must:

- Instruct Credo to open the account;
- Name all individuals authorised to give instructions on the account. In the event that the letter names new authorised signatories (whose CDD we don't already hold), verification of those authorised signatories will be required;
- Provide the Fund's name, address and full SSI details (including all global markets, and full sub-custodian SSIs per market (not just STRATE)

Submission Checklist (FI to provide)

If IM is NOT already on file:

- Signed Account Opening Letter with full list of SSIs
- IM's SDD/EDD
- Basic Fund details (SSI and Fund's DD)
- Wolfsberg Financial Crime Compliance Questionnaire

If IM is already on file:

- Signed Account Opening Letter with full list of SSIs
- Basic Fund details (SSI and Fund's DD)
- Wolfsberg Financial Crime Compliance Questionnaire

Service Level Agreements (SLA)

Scenario	SLA
New IM (IM not on file)	▪ 10 business days
Existing IM (IM on file)	▪ 2 business days