

Anti-Money Laundering and Anti-Terrorist Financing

Cheat sheet

Below is a list of the checks you need to perform regarding the offering of relevant products and their associated services. The relevant products are :

Targeted products

- ☐ Universal life (UL) insurance contract
- ☐ Non-registered savings plan (NRSP)
- ☐ Non-registered plan
- ☐ Non-registered annuity
- ☐ High-interest savings account HISA
- ☐ External non-registered mutual funds
- ☐ Multi-unit residential building mortgage
- ☐ Immigrant investor loan
- ☐ Non-registered savings offered in connection to institutional accounts



Step 1 : Know the client or beneficiary

Determine the status (individual or entity)

- ☐ Individual
- ☐ Companies
- ☐ Other entity: association, partnership, union, etc.
- ☐ Trust
- ☐ Widely held or publicly traded trusts
- ☐ Estate
- ☐ Charity



Step 2 : Verify identity

Determine when the verification takes place

- ☐ Within 30 days after the client has taken out, Universal life insurance contract, non-registered savings plan (NRSP), non-registered plan or non-registered annuity
- ☐ Opening of a HISA
- ☐ Opening of a loan
- ☐ Opening of non-registered mutual funds
- ☐ Before payment of a benefit of \$10,000 or more to the same beneficiary

Determine how the verification is conducted

- ☐ **Photo ID** (in person)
- ☐ **Credit file** (if the applicant is not present or does not have a photo ID)
- ☐ **Dual-process** (two reliable sources)
- ☐ **Use of agent or mandatary** (for certain loans)

List of information you need to obtain - Individual

- ☐ Name
- ☐ Address
- ☐ Date of birth
- ☐ Detailed occupation (title, field of activity, employer, status (employee, self-employed, business owner))
- ☐ Purpose of the business relationship (reason for choosing the product)
- ☐ Date of identity verification
- ☐ Type of document used for identity verification
- ☐ Account number or reference number of the document used
- ☐ Jurisdiction and country of issuance of the document used (if applicable)
- ☐ Expiration date of the document used (if applicable)

List of information you need to obtain - Entity

- ☐ Full name
- ☐ Registration number and issuing jurisdiction (if applicable)
- ☐ Address
- ☐ Names of directors or partners
- ☐ Authorized signatories
- ☐ Resolution for signing authority (if applicable)
- ☐ Ultimate beneficial owners
- ☐ Description of the structure
- ☐ Purpose of the business relationship (reason for choosing the product)
- ☐ Type and field activity
- ☐ Document confirming the accuracy of the information



Step 3 : Determine if a third party is involved

A third party is a person other than the client who gives instructions, makes payments, or has access to the value of the contract.

- ☐ No third party (proceed to step 4)

List of information you need to obtain - Individual third party

- ☐ Name
- ☐ Address
- ☐ Phone number
- ☐ Relationship to the customer
- ☐ Date of birth
- ☐ Occupation

List of information you need to obtain - Entity third party

- ☐ Name
- ☐ Address
- ☐ Phone number
- ☐ Relationship to the customer
- ☐ Type and field of activity
- ☐ Business (or incorporation) number and issuing jurisdiction of its certificate of incorporation



Step 4 : Determination of PEPs and HIOs

- A PEP is a person who holds (or has held) a senior public office, in Canada or abroad.
- An HIO is a person who holds a senior management position within an international organization (e.g., UN, NATO, UNESCO, etc.).

Determine PEP/HIO status in the following situations:

- ☐ Lump-sum payment ≥ \$100,000 (Universal life insurance contract, NRSP, non-registered plan, non-registered annuity)
- ☐ Beneficiary payment ≥ \$100,000
- ☐ Opening of a non-registered mutual fund account
- ☐ Opening or renewal of a multi-residential mortgage
- ☐ Opening of an immigrant investor loan

Verify categories of persons

- ☐ No PEP or HIO (proceed to step 5)
- ☐ Domestic PEP
- ☐ Foreign PEP
- ☐ HIO
- ☐ Family members of a PEP or HIO
- ☐ Close associate of a PEP or HIO

Information to be obtained

- ☐ Name
- ☐ Office or position
- ☐ Organization
- ☐ Period during which the position is held
- ☐ Country where the position is held
- ☐ Date of determination
- ☐ Source of funds
- ☐ Source of wealth



Step 5 : Identify at-risk profiles

The detection of at-risk profiles is based on characteristics related to information kept in the Information record about an individual or entity. Identify whether one or more of these risk factors are present:

- ☐ No risk factors detected
- ☐ Incomplete or non-compliant identity verification
- ☐ High-risk business sectors or professions
- ☐ Complex ownership or control structure of an entity
- ☐ Third-party determination
- ☐ PEP/HIO
- ☐ High-risk jurisdictions (black list/grey list)

If a risk is identified or if information is missing despite follow-ups

- ☐ **Promptly notify Operational Compliance.** Do not disclose any information to the client, beneficiary, or third party and do not record anything in the client's file.



Step 6 : Detect suspicious transactions

Indicators are potential red flags that could trigger suspicions, cause a sense of unease, or indicate that something may be unusual in the absence of a reasonable explanation. Identify whether one or more of these indicators are present (this list is not exhaustive; please refer to the reference document as needed):

Identify the indicators

- ☐ No indicators detected
- ☐ General: multiple bank accounts, criminal history
- ☐ Client's behavior: refusal to provide certain information, presence of a third party not related to the client
- ☐ Individual insurance products: cancellation of a life insurance policy without a reasonable explanation after an initial payment has been made; the insurance product does not match the customer's profile
- ☐ Savings products: multiple payments are made into an account by several individuals or entities other than the contract holder/investor
- ☐ Financing products: sudden repayment of an outstanding loan
- ☐ Mutual funds: attempt to purchase investments with cash

If a risk is identified or if information is missing despite follow-ups

- ☐ **Promptly notify Operational Compliance.** Do not disclose any information to the client, beneficiary, or third party and do not record anything in the client's file.

For more information, please refer to the reference document from the Anti-Money Laundering and Anti-Terrorist Financing training.