



A GUIDE TO HELP COMPLY WITH REGULATIONS ON FINANCIAL CRIME

Discovery and its clients must comply with the various regulations on financial crime that apply to us. This guide aims to help you navigate the compliance requirements and make the process as seamless as possible for you. Please do not hesitate to contact us if you need any support or have any questions.

IDENTIFICATION AND VERIFICATION

These requirements are in line with the Guernsey Financial Services Commission's Handbook on Countering Financial Crime and Terrorist Financing (GFSC Handbook) as well as the Financial Intelligence Centre Act 38 of 2001 of South Africa as amended.

All the documents submitted must be original or original certified (the certified copy, and not a copy of the certified copy). Complete all the fields on the application form that applies to the client. Depending on the details, we may need extra information and verification to manage anti-money-laundering and counter-terrorist financing requirements.

OCCUPATION AND INDUSTRY OF OCCUPATION

The information on the application form allows us to assess the application in terms of the regulations. It is important that this information is accurate and clear. If the application is not complete, we cannot process the application.

HIGH-RISK INDIVIDUALS, OCCUPATIONS, INDUSTRIES AND COUNTRIES

In terms of the regulations, we must perform a risk assessment when we enter into any business relationship. When we follow this risk-based approach, certain high-profile individuals, occupations, industries and regions are categorised as higher risk and we are obliged to perform enhanced due diligence. This could mean that after we review the application, we may have to ask you to send us extra information before we are allowed to accept the application.

Here is more information about high-risk individuals, occupations, industries and countries.

POLITICALLY EXPOSED PERSON

The GFSC Handbook defines a politically exposed person (PEP) as follows:

- A "foreign PEP" – a natural person who has, or has had at any time, a prominent public function, or who has been elected or appointed to such a function, in a country or territory other than the Bailiwick;
- B "domestic PEP" – a natural person who has, or has had at any time, a prominent public function, or who has been elected or appointed to such a function, within the Bailiwick; and
- C "international organisation PEP" – a natural person who is, or has been at any time, entrusted with a prominent function by an international organisation.

Prominent public function includes, without limitation –

- 01 | heads of state or heads of government;
- 02 | senior politicians and other important officials of political parties;
- 03 | senior government officials;
- 04 | senior members of the judiciary;
- 05 | senior military officers; and
- 06 | senior executives of state-owned body corporates.

Higher risk occupations		Highest risk occupations	
Antiques dealer	Real estate agents	Abalone diver	Hotel or guest house owner
Fine-art dealer	Stockbroker	Transport company owner or director	Arms dealers
Big-game hunter	High-value auctioneer	Import or export company owner or director	Private military firms
City treasurer	Pharmaceuticals and healthcare	Construction	Diamond diver
Customs official	Charities or NPOs	Extractive industries (such as mining or drilling)	Diamond dealer or merchant
Public procurement	Digital currency providers or similar	Precious metals and stones dealers	Casinos, including internet gambling
Money service business	Intermediaries or commission agents	High-value goods dealers	

HIGH-RISK COUNTRIES

Angola	Kenya	Cape Verde Islands**
Bangladesh	Libya	Ghana**
Botswana	Mali	Guinea**
Burundi	Mongolia	Guinea-Bissau**
Cameroon	Mozambique	Iran
Central African Republic	Myanmar/Burma	Ivory Coast**
Chad	Niger	Liberia**
Congo (Democratic Republic)	Panama	Mauritania**
Congo Republic	Somalia	Morocco**
Equatorial Guinea	South Sudan	Nigeria**
Eritrea	Sudan	Senegal**
Ethiopia	Pakistan	Venezuela
Haiti	Syria	The Bahamas
North Korea	Zimbabwe	Mauritius
Sierra Leone**	Jamaica	
Yemen	Nicaragua	
Barbados	Uganda	
Mongolia	Afghanistan	
Iraq	Cambodia	

**These countries are also known as the Central and West African Countries

HIGHEST RISK COUNTRIES

We do not accept investments or investors from certain regions or countries that are considered high risk. These countries include Belarus, Burundi, the Central African Republic, Congo, Iran, Iraq, Lebanon, Libya, Nicaragua, North Korea, Russia, Somalia, Sudan, Venezuela and Yemen.

SOURCE OF FUNDS

Financial crime regulations oblige Discovery to identify who we do business with. We must also identify and verify the source of the money they use to invest in our products. 'Source of funds' means the activity that generated the particular funds for a business relationship. Therefore, you must send us supporting documents that show where the money comes from.

Since funds can be generated from various sources, the following notes will help you determine what source of funds we will accept:

Source of funds	Definition	Supporting document required
Savings	This is money that you build up over time from surplus income. To confirm this, provide bank statements that show a consistent accumulation of funds from surplus income (such as salary or bonus payouts) or show that the money you want to invest has been in your bank account for three months.	Three months' bank statements** reflecting the payment for this investment.
Money from another financial instrument	This is money from another investment, policy payout, shares or any other financial product.	A statement of account that is not older than three months that shows a balance that is enough to fund the investment you are applying for.
Money from a loan	You could get a loan from a financial institution, a business you own, a trust, a family member or other sources. Loans can also come from credit facilities such as bonds and credit cards. Due to this, the loan agreements could take many forms and vary from formal to informal arrangements.	<p>You must provide one of the following:</p> <ul style="list-style-type: none"> ▪ A copy of the loan agreement if a financial institution grants the loan <p>OR</p> <ul style="list-style-type: none"> ▪ A copy of the signed agreement between two individuals together with a copy of their IDs <p>OR</p> <ul style="list-style-type: none"> ▪ A copy of the signed agreement between you and any other entity together with a copy of the IDs of all parties related to that entity <p>OR</p> <ul style="list-style-type: none"> ▪ Or a copy of the statements at the financial institution showing the flow of funds between accounts.
Money from the sale of property	This is the net proceeds from the sale of the property or the portion of the property that you own. The conveyers must pay the proceeds of the sale directly to you from the conveyancer's trust account.	<p>You must provide all of following:</p> <ul style="list-style-type: none"> ▪ A copy of the deed of sale ▪ A copy of the transfer duty declaration, signed by both parties that confirms the property's purchase price ▪ A letter from the conveyancer to confirm the transfer of the property ▪ The transfer duty receipt ▪ A letter from the conveyancer stating that the money will be transferred from their trust account ▪ Proof of payment from the payer to you and bank statements showing the deposit and all transactions up until today

Source of funds	Definition	Supporting document required
Money from an inheritance	This is the assets left to you from a deceased person's estate. It could also be a payment to you as a beneficiary of a life policy or a retirement fund distribution of assets.	<p>You must provide one of the following:</p> <ul style="list-style-type: none"> ▪ A letter from the executor of the estate ▪ Death certificates of the deceased ▪ A copy of the liquidation and distribution account ▪ Proof of payment from the payer to you and bank statements showing the deposit and all transactions up until today <p>OR</p> <ul style="list-style-type: none"> ▪ Letter of distribution from the retirement fund or policy from which you received a payout ▪ Proof of payment from the payer to you and bank statements showing the deposit and all transactions up until today
Money from a donation	Money from a donation could be from another legal entity, such as a trust or foundation. It could be a donation between spouses and it could also take other forms not set out here.	<p>You must provide one of the following if the donation is from a legal entity:</p> <ul style="list-style-type: none"> ▪ A resolution from the legal entity explaining the purpose of the legal entity, its industry of operation, its country of operation and the reason for the donation ▪ Copies of company registration documents showing the natural persons who are the owners or controllers of this entity <p>OR</p> <p>You must provide one of the following if the donation is from an individual:</p> <ul style="list-style-type: none"> ▪ A letter from the donor explaining how they accumulated their wealth and the reason for the donation. The letter must also include the full names and ID numbers of all individuals making the donation, the amount donated, signed and dated by the donors. ▪ Supporting documents showing the source of funds for the individual who is donating the money ▪ Proof of payment from the donor/s to you and bank statements showing the deposit and all transactions up until today
Money from any other source	There is an unlimited number of sources of funds. Please contact us for guidance if the source of funds you have is not in this table.	Not applicable

SOURCE OF WEALTH

'Source of wealth' is different from 'source of funds'. The source of wealth describes activities to generate the total net worth of a client. We can ask for this in the form of a written explanation of the client's achievements to reach their current financial status. We must verify the explanation provided. We may ask for supporting documents if we are unable to verify the information provided.

WHAT WE NEED FOR CERTIFIED DOCUMENTS

The GFSC Handbook tells us what standards we need to meet for certified documents. If the documents are unclear or not certified correctly, we cannot process the application.

Certified documents must meet the following standards:

- Certification must include:
 - The certifier’s full name
 - The certifier’s current designation or position held
 - Certification date
 - Signature
 - The words “true copy of the original”
 - The certifier’s contact number or physical address
- Documents must be certified only once.
- Documents may not be certified by a relative or a family member of anyone mentioned in the application.
- The authorised person certifying any copy as a true original must have seen the original documents.
- When certifying a passport or identity documents, the certifier must have seen the person in the passport or identity document in person. The copy must also be a clear picture that shows a reasonable likeness of the individual.

HOW TO SEND US BANK STATEMENTS

You can submit bank statements in the following formats:

- You can copy the entire original email from the bank and email it to us. This means you cannot simply forward the email as forwarding the email allows attachments to be changed and we want to mitigate this risk.
- If you are providing copies of statements, they must be certified according to our certification rules.