

Source of funds procedure

Guidance notes for all products

This document sets out Friends Provident International Limited's (FPIL) source of funds procedures, including what documentary evidence is required to support the source of funds information supplied in the application form.

Source of funds includes both the activity that generated the funds as well as the means through which the funds have been transferred.

The current legislation and guidance requires all Isle of Man Companies to "take reasonable measures to establish the source of funds for all customers when entering a new business relationship". This reflects the Isle of Man's commitment to maintain the highest possible standards of business practice and to counter money laundering and the financing of terrorism.

FPIL has adopted a risk-based approach to comply with current legislation and guidance by risk rating each client as representing Standard, Higher or High risk. This depends on the product they are applying for, the jurisdiction they are based in and the jurisdiction where the payment is to be transferred from. We have categorised each jurisdiction according to their level of compliance with international regulatory standards.

Please be aware that the countries listed in this document are subject to change with immediate effect at the absolute discretion of FPIL.

Important

The inclusion of a country on this list does not signify that FPIL will accept business from that country.

FPIL reserves the right to request further documentary evidence at any time.

Standard risk

To qualify as standard risk business the client must be one of the following:

- applying for a regular payment plan
- applying for a lump sum investment and is both resident in a standard risk country and sending their payment from a standard risk country
- a regulated trust/pension company

For standard risk business no documentary evidence is required.

Standard risk countries			
Andorra	Antigua & Barbuda	Argentina	Armenia
Australia	Austria	Bahamas	Bahrain
Belarus	Belgium	Bermuda	Botswana
Brazil	British Virgin Islands	Bulgaria	Canada
Chile	Cook Islands	Costa Rica	Croatia
Cuba	Cyprus	Czech Republic	Denmark
Dominican Republic	Estonia	Fiji	Finland
France	Gambia	Georgia	Germany
Ghana	Greece	Grenada	Guatemala
Guernsey	Honduras	Hong Kong	Hungary
Iceland	Ireland	Isle of Man	Italy
Japan	Jersey	Korea (South)	Latvia
Liechtenstein	Lithuania	Luxembourg	Macau
Macedonia	Malawi	Malaysia	Malta
Marshall Islands	Mauritius	Mexico	Moldova
Monaco	Mongolia	Netherlands	New Zealand
Nicaragua	Norway	Peru	Poland
Portugal	Puerto Rico	Qatar	Romania
Saint Lucia	Saint Vincent and Grenadines	San Marino	Serbia
Seychelles	Singapore	Slovakia	Slovenia
South Africa	Spain	Sweden	Switzerland
Taiwan	Tajikistan	Trinidad and Tobago	Turks and Caicos Islands
United Arab Emirates	United Kingdom	Uruguay	USA
Uzbekistan	Vanuatu	Zambia	

Higher risk

Documentary evidence of source of funds must be supplied for higher risk business.

A client will be categorised as higher risk if they are applying for a lump sum investment and are either:

- resident in a higher risk country; or
- sending their payment from a higher risk country

Higher risk countries			
Afghanistan	Albania	Algeria	Angola
Anguilla	Azerbaijan	Bangladesh	Barbados
Belize	Benin	Bhutan	Bolivia
Bosnia and Herzegovina	Burkina Faso	Burundi	Cambodia
Cameroon	Cape Verde	Cayman Islands	Central African Republic
Chad	China	Colombia	Comoros
Congo (Democratic Republic)	Congo (Republic of)	Cote d'Ivoire/Ivory Coast	Dominica
Ecuador	Egypt	El Salvador	Equatorial Guinea
Eritrea	Eswatini (Swaziland)	Ethiopia	Gabon
Gibraltar	Guinea	Guinea Bissau	Guyana
Haiti	India	Indonesia	Iraq
Israel	Jamaica	Jordan	Kazakhstan
Kenya	Kosovo	Kuwait	Kyrgyzstan
Lao PDR/Laos	Lebanon	Lesotho	Liberia
Libya	Madagascar	Maldives	Mali
Mauritania	Micronesia	Montenegro	Montserrat
Morocco	Mozambique	Myanmar/Burma	Namibia
Nepal	Niger	Nigeria	Oman
Pakistan	Palestine	Panama	Papua New Guinea
Paraguay	Philippines	Russia	Rwanda
Sao Tome and Principe	Saudi Arabia	Senegal	Sierra Leone
Solomon Islands	Somalia	South Sudan	Sri Lanka
Sudan	Suriname	Syria	Tanzania
Thailand	Togo	Tonga	Tunisia
Turkey	Turkmenistan	Uganda	Ukraine
Venezuela	Vietnam	Yemen	Zimbabwe

High risk

Where the client is classified as a PEP (politically exposed person) they must supply both source of funds evidence and also their entire source of wealth by completing the supplementary "source of wealth" form.

Suggested documentary evidence for source of funds for higher or high risk categorised business

Generic description of Source of Funds	Details required in application form	Additional documentation
Lottery/betting/casino win	Date of win Total amount Details of which organisation	Letter from relevant organisation (Lottery headquarters/betting shop/casino) Or Certified copy of bank statement clearly showing the receipt of winnings Copies of media coverage (if applicable) as supporting evidence
Property sale	Address of property Date of sale Total amount received	Signed letter from solicitor Or Signed letter from estate agent (if applicable) Or Certified copy of completion contract
Inheritance	Received from Relationship to benefactor Date received Total amount received	Grant of Probate (with a copy of the will) which must include the value of the estate. Or Solicitor's letter
Company sale	Name of company Date of sale Total amount received Principal activity of company Applicant's share of sale proceeds	Signed letter from a solicitor Or Signed letter from regulated accountant Copies of media coverage (if applicable) as supporting evidence
Geared loan	Date of loan Total amount Name and nature of loan provider	Certified copy of loan agreement Or Certified copies of loan statements
Gift	Date received Total amount received Reason for gift Relationship to benefactor	Letter from Donor confirming details of gift and acknowledging the source of the donated funds Verification of the identity of Donor Donor's source of funds – requirements of evidence as stated above for each source of funds given.
Income from Employment Normal and/or bonus	Annual income for the last 2 years Name of employer Nature of employers business	Last 3 months' payslips Or Confirmation from employer of income Or Copy of recent accounts if self employed Or Bank statement that clearly shows receipt of the most recent three months' regular salary payments from the named employer.

Generic description of Source of Funds	Details required in application form	Additional documentation
Other income	Nature of the Income From who Total amount received Date received	Dependent of source of other income e.g. Maintenance payment: then copy of court order Or Certified copies of supporting documentation Or Signed letter detailing funds from a regulated accountant
Sale of shares	Date funds received From which company How long held Total amount received	Certified copy of redemption certificate
Maturing investments or policy claim	Date funds received From which company Total amount received	Certified copy of closing statement Or Letter confirming surrender
Compensation payment	Date received Total amount received Reason for payment	Solicitor's letter Court order
Company profits	Company profits for the last 2 years Industry company operates in	Copy of the latest accounts or letter from regulated accountant giving details of company profits over the last 2 years

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