

Anti-money laundering common issues guide

Common issues with required anti-money laundering information

The fundamental principles of anti-money laundering legislation are:

- Know your client
- Know the source of the funds they're providing
- Document the information gathered

Applications and forms are designed to ensure you're able to obtain and document all of the necessary information to fulfill your regulatory obligations. Often, the following required anti-money laundering information is vague, incomplete or missing on submitted universal life insurance and non-registered investment applications and forms:

Required information	Issue	Solution
Third party A third party is someone other than the individual directly transacting business with us, who is connected in some significant way to the product concerned. This could include: • A payor other than the applicant/owner • Someone signing the policy on behalf of the applicant/owner • Someone who will have control or authority over the policy, including a power of attorney	Incomplete or missing information	• The third party question must be answered yes or no • If answered yes, all fields related to the third party must be completed
Information on the Questionnaire for applicants that are entities (incorporated and non-incorporated)	Incomplete	• Occupations of the directors must be specific and detailed • If the directors are retired, ensure their prior occupation is provided • If any person owns or controls 25 per cent or more of any of the entities listed on the form, ensure his/her name, address and detailed occupation information is provided • If a company owns or controls 25 per cent or more of any of the entities listed on the form, provide the names, addresses and detailed occupation information of its owners • If the entity is a holding company, the

		nature of the business must be descriptive. For example, if the company holds real estate, clearly indicate the type – Commercial real estate holding company
Occupations	Vague	• Avoid using general terms, such as consultant, manager, self employed, etc. • Provide a detailed title and list the nature of responsibilities. For example: – IT consultant at XYZ Consulting Company; provide IT assistance to small businesses – Self employed at XYZ Watch Repair Shop – Carpenter at XYZ Company; provide framing and roofing services • If the client is retired or unemployed, ensure his/her prior occupation is specific and the source of income is provided • If the client is a homemaker or student, indicate their source of income
ID expiry date	Missing information	• To demonstrate the ID is still valid, ensure this field is complete and the date indicated is a future date
Purpose of product/policy	Missing information	• Complete this section by entering the reason for purchasing/transferring this product/policy