

SAMPLE FILE NOTE FOR INDIVIDUAL CLIENT FILE

NAME OF CLIENT:

Single Transaction	
Business Relationship	

If Single Transaction:	Yes	No
Is it above the Prescribed Amount		

ASSESSMENT OF AML/CFT RISK

The Firm, after having taken into account (1) its Risk and Compliance Management Programme, and (2) the informant and documents collected below, and (3) the services being rendered, made the following assessment of the potential risks:

Knowledge client, applicable regulatory requirements, nature and reason behind business structure, including client's representative:
<u>Presence of service-related risks:</u>
<u>Presence of transactions risks:</u>
<u>Presence of higher risk factors:</u>
<u>RISK RATING</u>
The firm concluded that the client offers a: LOW – MEDIUM – HIGH RISK
Motivation:
Determine whether a transaction or activity is reportable
Next Assessment Scheduled for:

IDENTITY OF CLIENT:

Verification of Client	Yes	No
Identity of client has been established and verified?		
<p>Is client acting on behalf of another person?</p> <ul style="list-style-type: none"> - Identify of another person has been established and verified? - Obtained client's authority to execute the mandate? E.g: power of attorney, board resolution, court order or letter of authority 		
<p>Documents/information obtained to establish and verify client: (individual/corporation/partnership/trust/association)</p> <p>Individuals:</p> <ul style="list-style-type: none"> - Identity document/driver's licence/passport - Address details with documentary proof - Contact details <p>Corporations, partnerships, trusts, associations:</p> <ul style="list-style-type: none"> - Registration certificate, letters of authority, partnership agreement, memorandum of incorporation, trust deed, letterhead, business invoice, proof of residence - Contact details - registration certificate, letters of authority, NPO certificate, etc.; and - proof of physical address for the entity; and - the name, position and contact information of the individual giving you instructions on behalf of the organisation 		

<p>Understanding and obtaining information on business relationship:</p> <p>Obtained information to reasonably enable the Firm to determine whether future transactions that will be performed are consistent with the Firm's knowledge of that prospective client, including information describing:</p> <ul style="list-style-type: none"> - the nature of the business relationship concerned - the intended purpose of the business relationship concerned - the source of the funds which that prospective client expects to use in concluding transactions in the course of the business relationship concerned <p>If the client is a legal person or a natural person acting on behalf of the legal person (including trust or partnership):</p> <ul style="list-style-type: none"> - the nature of the client's business; and - the ownership and control structure of the client. <p>If the client is a legal person the attorney/law firm, the identity of the beneficial owner by:</p> <ul style="list-style-type: none"> - determined the identity of each natural person who, independently or together with another person, has a controlling ownership interest in the legal person; or - determined the identity of each natural person who exercises control of that legal person through other means; or - determined the identity of each natural person who exercises control over the management of the legal person, including in his or her capacity as executive officer, non-executive director, independent non-executive director, director or manager 		
<p>Took reasonable steps to verify the identity of the beneficial owner of the client, so that the attorney/law firm is satisfied that it knows who the beneficial owner is.</p>		

Documents and other data Reviewed	Yes	No
Memorandum of incorporation		

Share holders' agreement		
Share certificates		
Trust deed		
Constitution		
Minutes of shareholders' meetings		
Minutes of directors' meetings		
Annual Reports		
Integrated Reports		
Annual financial statements		
Data publicly available from a public database, including: The CIPC, Masters' office, Department of Social Development Other websites		
Other documents – please list below. - - - -		

The Firm understands:	Yes	No
Source of funds of the client		
Reasons for intended business relationship and the legal services		
Required approvals provided by the governing board or senior management		
Controlling ownership interest, whether through controlling the management of a legal person or a hidden beneficial owner		

Complex Large Transactions and unusual patterns of transactions:	Yes	No
The Firm examined complex or unusually large transactions		
The Firm examined unusual patterns of transactions		
The Firm kept written findings of the above		
Factors to be taken into account: <ul style="list-style-type: none"> - The nature of the legal services required and underlying purpose - The legislation, regulatory requirements and industry standards (or lack thereof) applicable to the transactions. - The unusual and disproportionate amounts involved and disparate exchange of value. - The sourcing of substantial funds from high-risk countries without any apparent linkage. 		

<ul style="list-style-type: none"> - The rendering of services or goods that are mismatched within the context. - The use of multiple bank accounts without any apparent reason. - Deposits of large sums of money without genuine business activities or acumen. - Unusual payment instructions taking into consideration industry practices. - Increase of assets or income in either local or foreign countries without plausible economic justification. - Substantially large financial transactions for recently incorporated entities without any apparent economic reason. - Substantially large financial transactions that are unsuitable for the prospective client's business profile or commercial status. 		
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Domestic prominent influential person or foreign prominent public official:	Yes	No
<p>If applicable:</p> <ul style="list-style-type: none"> - obtained senior management approval for establishing the business relationship. - Took reasonable measures to establish the source of wealth and source of funds of the client. - Conducted enhanced ongoing monitoring of the business relationship. - Determined if the DPIIP (where applicable, the immediate family members) presented a higher risk 		
The Firm kept written findings of the above		
The Firm keeps a record of the information required under sections 21 to 21H.		