

KYC Guidance

UTB uses an electronic verification tool to verify all signatories/UBO's. To run an electronic verification check we need to be provided with an individuals full name, current address and date of birth.

In the event we are unable to verify an individual electronically, we will require both certified ID and proof of address to be provided.

At payout stage UTB require valid ID to be provided for all signatories. As above, if the signatory has not been verified electronically, we will require both certified ID and proof of address to be provided.

Acceptable forms of ID include:

- Valid Photocard Driving License (Full or Provisional showing the current residential address)
- Valid Passport
- His Majesty's Revenue and Customs Letter (dated within the last 12 months).
- Department of Work & Pensions communication (dated within the last 12 months)
- Valid Firearms Certificate
- National ID Card e.g. EU State issued National Identity Card

If an individual is unable to provide any of the above documents, we will need an to be provided with a suitable explanation along with three separate documents from the below list. All documents will need to be certified.

- His Majesty's Revenue and Customs letter (dated in the last 12 months)
- Utility Bill (dated in the last 3 months) but excludes mobile phone bills
- Current years Council Tax Bill
- Bank/Building Society/Credit Card Statement (dated in the last 3 months)
- Mortgage Statement (dated in the last 6 months)
- Valid full paper Driving License

Documents must be certified by someone that is independent of the customer/transaction/ownership structure.

Who can certify documentation:

- United Trust Bank Employee
- FCA Registered Broker or Dealer
- Qualified Accountant, Solicitor, Barrister or Notary (we will proof of their accreditation).
- Employee of an FCA Regulated Bank/Building Society (for the purpose of certifying bank statements from their bank)
- Post Office

Certification must be clearly stamped with an official stamp and include the certifying party's name, signature, capacity, contact details and date of certification.

Certified documents should include wording akin to the following:

- For ID – *"I hereby certify this document and can confirm that this is a fair and true likeness of the individual and true copy of the original."*
- Other documents e.g. bank statements – *"I hereby certify this document and can confirm this is true copy of the original."*

Persons with Significant Control & Beneficial Owners

Definition of a Beneficial Owner

A beneficial owner of a corporate entity is defined follows:

- Any individual that owns or controls 25% or more of the shares or voting rights of the company; or
- Any individual that exercises control of the management of the company

Definition of a Person with Significant Control

A person with significant control (PSC) is someone who is likely to hold;

- More than 25% of shares in the company; or
- More than 25% of voting rights in the company; or
- The right to appoint or remove the majority of the board of directors; or
- Significant control or influence over a company; or
- Significant control over a trust or firm which influences or controls the corporate entity.

The definitions of beneficial owners and PSCs are broadly the same, therefore reflecting current guidance all beneficial owners and PSCs are subject to verification.

PSC Discrepancies

UTB must report material discrepancies on the PSC Register to Companies House to ensure that the information on the PSC register is adequate, accurate and current. To identify if a discrepancy exists, the AF KYC team will compare the PSC Register at Companies House against a business credit report.

In certain scenarios we may need to seek independent confirmation of the beneficial owners/PSCs of a corporate entity from a suitably qualified accountant or solicitor. An example of when we would ask for this:

The PSC Register shows that both Mrs. A and Mr. B each own 50% of the shares in the borrowing company however Mrs. A informs us that she owns 100% of the company and Mr. B is no longer a shareholder. UTB are unable to confirm Mrs. A is the 100% shareholder with information available at Companies House therefore required independent confirmation.

Where the UBO is a Corporate entity we will need a certified copy of the ownership structure chart.

Where the individual does not hold a British Passport and has not been on the voters roll for a minimum of five years we will require answers to the following questions:

- Does the individual have any business interests outside of the UK?
- Does the individual send or receive funds from outside the UK?

Source of Wealth & Source of Funds (Non-UK)

Where UTB establish that an applicant has a SoW/SoF being derived from outside the UK, additional due diligence will be required, on a case-by-case basis, depending on the jurisdiction from which the SoW/SoF originates.

When dealing specifically with a corporate we will look to establish where the corporates operates, if they operate/ trade outside the UK we require answers to the following questions:

- Which countries outside of the UK does the customer trade/operate in?
- What percentage of business income is derived from outside the UK?

Deceased PSC's & Beneficial Owners

Where one of the UBOs is now deceased, but probate has not yet been granted, we can consider accepting confirmation from a solicitor/accountant regarding who the estate is passing to, including revised shareholdings for the business.

High Net Worth Individuals and Ultra High Net Worth Individuals

High Net Worth Individual	Ultra High Net Worth Individual
Net income of over £150k per annum	Net income of over £4m per annum
Net assets of over £500k	Net assets of over £40m

Where an individual is deemed to be of Ultra High Net Worth in addition to a Statement of High Net Worth completed by an accredited accountant we will need either a letter from an accredited accountant confirming Source of Wealth or an Asset and Liabilities statement certified by an accredited accountant.

An accredited accountant is defined as being a member of any of the bodies listed below, as per CONC App 1.4.3 (2):

- The Institute of Chartered Accountants in England and Wales;
- The Institute of Chartered Accountants of Scotland;
- The Institute of Chartered Accounts in Ireland;
- The Association of Chartered Certified Accountants;
- The Chartered Institute of Management Accountants;
- The Chartered Institute of Public Finance and Accountancy;
- The Association of International Accountants;
- The Association of Accounting Technicians; and
- A professional body for accountants established in a jurisdiction outside the United Kingdom

Trusts

Within a Corporate Ownership Structure, where a Trust is a PSC /Beneficial Owner the Trust will be subject to verification. UTB will need to identify the beneficial owners of the trust. In relation to a trust, the ML Regulations define the beneficial owner as each of:

- The settlor;
- The Trustees;
- The beneficiaries, or where individuals benefiting from the trust have not been determined, the class of persons in whose main interest the trust is set up, or operates;
- Any individuals that have control over the trust e.g. protectors or controllers

Any beneficial owners are then subject to verification, in addition UTB will require a full **certified** trust deed and any supplement thereto or the supplement that contains all required information/ relevant extracts.

UTB are required to identify the type of trust that is connected to our customer and who benefits from the trust.

There are many different forms of trusts:

Bare Trusts	Assets in a bare trust are held in the name of a trustee. However, the beneficiary has the right to all of the capital and income of the trust at any time if they're 18 or over (in England and Wales), or 16 or over (in Scotland). This means the assets set aside by the settlor will always go directly to the intended beneficiary. Bare trusts are often used to pass assets to young people - the trustees look after them until the beneficiary is old enough.
Discretionary Trusts	These are where the trustees can make certain decisions about how to use the trust income, and sometimes the capital. Depending on the trust deed, trustees can decide: • what gets paid out (income or capital) • which beneficiary to make payments to • how often payments are made • any conditions to impose on the beneficiaries Discretionary trusts are sometimes set up to put assets aside for: • a future need, like a grandchild who may need more financial help than other beneficiaries at some point in their life • beneficiaries who are not capable or responsible enough to deal with money themselves
Personal Injury Trust	A personal injury trust is a legally binding arrangement for holding and managing funds received as a consequence of an injury.

The documentation that is required is:

Full **certified** trust deed and any supplement thereto or the supplement that contains all required information/ relevant extracts or validation via register

Foreign Overseas Corporate Entities and Overseas PSC's & Beneficial Owners

Where a PSC/Beneficial Owner resides outside the UK they are still subject to verification. We will require both certified ID and proof of address to be provided.

Where a PSC/Beneficial Owner is an overseas corporate entity, will we need the following information to verify the individual UBO's as well as the above.

- A certified copy of the ownership structure chart where the customer is a subsidiary of an overall group.
- AND**
- Written confirmation from a suitable qualified solicitor / accountant of the directors, shareholders and ultimate beneficial owners of the company and certified copies of the certificate of incorporation and the registers of directors and members/shareholders.

We hope you find this useful whilst we have tried to cover as much as possible there will be instances where we will require additional information to the above.

If you have any questions please feel free to contact the KYC team either by e-mail decisions@utbank.co.uk or on 0203 862 1229.