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7 ENHANCED CDD MEASURES

7.1 Overview of section

1. This section explains the circumstances in which *CDD* measures are required to be enhanced under Articles 15, 15A and 15B of the *Money Laundering Order* and explains the exemptions from CDD requirements under Part 3A of the *Money Laundering Order*. It also sets out circumstances where simplified *identification measures* can be applied in relation to low-risk products or services.

2. In addition to any case where a *supervised person* determines that a *customer* presents a higher risk of *money laundering*, the *financing of terrorism*, or *proliferation financing*, Articles 15, 15A and 15B of the *Money Laundering Order* also require *enhanced CDD* measures to be applied in the following specified scenarios:

- *customer*, or some other person, is not physically present for identification purposes – section 7.4 of this Handbook;
- *customer* has a relevant connection to an enhanced risk state – section 7.5 of this Handbook;
- *customer*, or some other prescribed person, is a PEP – section 7.6 of this Handbook;
- *customer* is a non-resident – section 7.7 of this Handbook;
- *customer* has a complex, higher risk structure – section 7.8 of *this Handbook*;
- *customer* is provided with private banking services – section 7.9 of this Handbook;
- *customer* is a personal asset holding vehicle – section 7.10 of this Handbook;
- *customer* is a company with nominee shareholders or issues bearer shares – section 7.11 of this Handbook;
- correspondent banking or similar relationships – section 7.12 of this Handbook.

3. It may be that *CDD* measures routinely applied under Article 13 of the *Money Laundering Order* already address some of the risk characteristics of these *customer*s (for instance identification of beneficial owner(s) and understanding the nature and purpose of the relationship) and significantly reduce the risk of *money laundering*, the *financing of terrorism* and *proliferation financing*. Therefore, any additional measures may be quite limited.

4. Nevertheless, the *enhanced CDD* measures required under Articles 15, 15A and 15B of the *Money Laundering Order* must be in addition to the measures to be taken in circumstances presenting a lower or standard risk, as set out in sections 4 and 6 of this Handbook and must address the particular risk presented. This section provides some (non-exhaustive) examples for each category of *customer*.

5. When applying *enhanced CDD* measures, a *supervised person* should not use a 'one size fits all' approach, e.g., applying the same package of measures regardless of the circumstances. The measures utilised should be tailored and appropriate to the specific scenario. The *supervised person* should also be able to articulate why they have applied the measures they have chosen, how they address the specific risks posed by the *customer* and how they are appropriate and commensurate with those risks.

6. A *customer* may be an individual (or group of individuals) or a legal person. Section 4.3 of this Handbook deals with the obligation to find out identity and obtain evidence for a *customer* who is an individual (or group of individuals), section 4.4 of this Handbook deals with the obligation to find out identity and obtain evidence for a *customer* (an individual or legal person) who is acting for a legal arrangement, and section 4.5 of this Handbook deals with the obligation to find out identity and obtain evidence for a *customer* who is a legal person.

7. References to a *customer* include, where appropriate, a prospective *customer* (an applicant for business) with whom a *business relationship* is to be established, or a *one-off transaction* carried out.

7.2 Requirement to apply *enhanced CDD measures*

Statutory requirements (paraphrased wording)

8. *Article 11(3)(c) of the Money Laundering Order requires a relevant person to maintain appropriate and consistent policies and procedures to determine whether:*

i. *a customer;*

ii. *a beneficial owner or controller of a customer;*

iii. *a third party for whom a customer is acting;*

iv. *a beneficial owner or controller of a third party described in (iii);*

v. *a person acting, or purporting to act, on behalf of a customer; or*

vi. *a beneficiary under a life insurance policy,*

vii. *is a PEP.*

9. *Article 11(3)(d) of the Money Laundering Order requires a relevant person to maintain appropriate and consistent policies and procedures to determine whether a business relationship or one-off transaction is with a person connected with a country or territory that does not apply, or insufficiently applies, the FATF Recommendations.*

10. *Article 15(1) of the Money Laundering Order requires a relevant person to apply enhanced CDD measures on a risk-sensitive basis in the following circumstances:*

a) *if a customer has, or proposes to have, a business relationship or proposes to carry out a one-off transaction with the relevant person and the relevant person is not resident in the customer's country of residence or in the same country as the country from which, or from within which, the customer is carrying on business;*

b) *if a customer has not been physically present for identification purposes;*

c) *if the relevant person has or proposes to have a business relationship or proposes to carry out a one-off transaction with a customer having a relevant connection with a country or territory (an "enhanced risk state") in relation to which the FATF has called for the application of enhanced customer due diligence measures;*

d) *if the customer of the relevant person is a company with nominee shareholders or that issues shares in bearer form;*

da) if the customer of the relevant person is a limited liability company with nominee limited liability company interest holders;

e) if the customer of the relevant person is:

i) a legal person established by an individual for the purpose of holding assets for investment purposes; or

ii) a person acting on behalf of a legal arrangement established for an individual for the purpose of holding assets for investment.

f) if the relevant person provides or proposes to provide a customer with private banking services;

g) any situation which by its nature can present a higher risk of money laundering.

7.3 Higher risk *customer*

Overview

11. Section 3.3 of this Handbook explains the risk-based approach to identification measures. It explains that a supervised person must, based on information collected, assess the risk that a business relationship or one-off transaction will involve money laundering, the financing of terrorism, or the financing of proliferation.

12. *Enhanced CDD measures* must be applied where a *supervised person's* assessment is that there is a higher risk of *money laundering,* the *financing of terrorism,* or the *financing of proliferation* (i.e., a situation which by its nature can present a higher risk of *money laundering,* the *financing of terrorism,* or the *financing of proliferation*).

13. There are several reasons why a *business relationship* or *one-off transaction* might be assessed as presenting a higher risk. For this reason, there are several possible measures listed in this section to address that risk.

Guidance notes

14. A *supervised person* may demonstrate that it has applied enhanced *identification measures* to an individual who is a higher risk *customer* under Article 15 of the *Money Laundering Order* where it obtains evidence that verifies a:

- former name (if applicable); or
- passport or national identity card number.

15. A *supervised person* may demonstrate that it has applied enhanced *identification measures* to a higher risk *customer* under Article 15(1)(g) of the *Money Laundering Order* where it takes reasonable measures to find out the ***source of funds*** and ***source of wealth*** at the time that a *business relationship* is established or *one-off transaction* carried out which are commensurate with risk and include one or more of the following:

- commissioning an independent and reliable report from a specialist security agency about the *source of funds* involved and/or *customer's source of wealth*;
- where a *supervised person* is part of a group, obtaining reliable information from the group's internal security department or business intelligence unit (or equivalent) about the *source of funds* involved and/or *customer's source of wealth*;

- where a *supervised person* is part of a group, obtaining reliable information from a part of the group which has an office in the country or territory with which the *customer* has a connection about the *source of funds* involved and/or *customer's source of wealth*;
- obtaining reliable information directly from the *customer* concerned, for instance during (or subsequent to) a face-to-face meeting inside or outside Jersey, or via a telephone "welcome call" on a home or business number which has been verified or by obtaining certified copies of corroborating documentation such as contracts of sale, property deeds, salary slips, etc.
- obtaining reliable information from an external party (for instance a Lawyer, *Accountant* or *tax adviser*) which has an office in the country or territory with which the *customer* has the connection about the *source of funds* involved and/or *customer's source of wealth*;
- A *supervised person* who obtains information from an external party should not accept such information on face value but should assess whether it is reasonable to use this information, e.g. is it complete and accurate to the standards required under Jersey law; how far removed from the *Beneficial owner and/or controller* are they; does this create any additional *AML/CFT/CPF* risks that should be factored into the *CRA*?
- obtaining reliable information from a person eligible to be an *obliged person* (for instance a Lawyer, *Accountant* or *tax advisor*) about the *source of funds* involved and/or *customer's source of wealth*;
- where information is publicly available or available through subscription databases, obtaining reliable information from a public or private source about the *source of funds* involved and/or *customer's source of wealth*;
- obtaining reliable information through financial statements that have been prepared in accordance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards;
- establishing how the *source of funds* and *source of wealth* relate to the property which is or will be the subject of the *business relationship* or *one-off transaction.* For example, the *customer*'s funds, generated by their employment at an investment firm, were used to purchase a house which will be settled into a trust.

16. Where a connection is established during the course of an existing relationship, a *supervised person* may also demonstrate that it has taken reasonable measures to find out the *source of funds* and/or *source of wealth* where it reviews the relationship information that it already holds and concludes that it is reliable.

17. Where the measures set out in paragraphs 14 to 16 above are not sufficient to mitigate the risk associated with the *customer*, a *supervised person* may demonstrate that it has applied enhanced *identification measures* where it does one or more of the following in a way that is commensurate with risk:

- in a case where a document that has been used to obtain evidence of identity for a higher risk *customer*, e.g., a passport, subsequently expires, a *supervised person* may demonstrate that documents, data or information obtained under *identification measures* are kept up-to-date and relevant where a copy of the document that replaces that originally used to obtain evidence of identity is requested and obtained;

- in a case where a *business relationship* is to be established making use of a suitable certifier, it obtains confirmation that a photograph contained in the document certified bears a true likeness to the individual requesting certification (or words to that effect).

7.4 Customer not physically present for identification measures

Overview

18. Frequently, *business relationships* will be established, and *one-off transactions* carried out where there is no face-to-face contact with the *customer* to be identified or its *Beneficial owners and/or controllers*, for example:

- relationships established with individuals by mail, telephone or via the internet where external data sources are used to obtain evidence of identity;
- where identity is found out on persons who fall within Article 3(7) of the *Money Laundering Order* through a trustee or general partner, or on *Beneficial owners and/or controllers* of a legal person through that legal person.

19. There may also be circumstances where there is face-to-face contact with a *customer*, but where documentary evidence is to be provided at a time when the *customer* is not present.

20. Such circumstances may increase the risk of *money laundering,* the *financing of terrorism,* or the *financing of proliferation* as it may be easier for criminals to conceal their true identity when there is no face-to-face contact with the *supervised person*. They may also increase the risk of impersonation or identity fraud being used to establish a *business relationship* or conduct a *one-off transaction* for illegitimate purposes.

21. For the avoidance of doubt, this section does not apply to a person whose identity has been verified through a suitable certifier, (e.g., **where the certifier has met the person at the time the documents are certified**).

Statutory requirements (paraphrased wording)

22. *Under Article 15(1)(b) of the Money Laundering Order, if a customer has not been physically present for identification purposes, a relevant person must apply enhanced CDD measures on a risk-sensitive basis.*

AML/CFT/CPF Codes of Practice

[COP67] A *supervised person* must apply enhanced CDD measures on a risk-sensitive basis where a person who falls within Article 3(7) of the *Money Laundering Order*, or who is the Beneficial owner and/or controller of a *customer* or is a person who must otherwise be identified under Article 3 of the *Money Laundering Order*, is not physically present for identification purposes.

Guidance notes

23. A *supervised person* may demonstrate that it has applied enhanced *identification measures*:

- under Article 15 of the *Money Laundering Order*; and
- under the *AML/CFT/CPF Codes of Practice* set in COP67 above:

Where it finds out further information on a person (in this example, "Person A"), obtains an additional form of evidence of identity for Person A, or carries out some other additional measure in respect of Person A.

24. Additional forms of evidence of identity may include use of a further source listed in section 4 of *this Handbook* (including independent data sources).

25. Other additional measures may include:

- where a *supervised person* is part of a group, confirmation from another part of that group that Person A has been met face-to-face;
- confirmation from a *supervised person* that carries on a *regulated business* or a person who carries on an *equivalent business* that Person A has been met face-to-face;
- confirmation from a *supervised person* that carries on *Trust Company Business* or a person who carries on an *equivalent business* that Person A is known to the *TCSP*, and the *TCSP* is satisfied that the particular individual is the person whose identity is to be found out;
- a combination of other checks that adequately take into account the *supervised person's* risk assessment for Person A, including:
  - requiring the first payment for the product or service to be drawn on an account in the *customer's* name at a bank that is a *regulated person* or carries on *equivalent business* (refer to section 1.8 of *this Handbook*);
  - telephone contact with the *customer* prior to establishing a relationship on a home or business number which has been verified, or a "welcome call" to the *customer* before transactions are permitted, using the call to verify additional components of identity found out;
  - internet sign-on following verification measures where the *customer* uses security codes, tokens, and/or other passwords which have been set up during account opening and provided by mail (or secure delivery) to the named individual at an independently verified address;
  - specific card or account activation measures.

7.5 *Customer* with *relevant connection* to an *enhanced risk state*

Overview

26. The *FATF* has identified a number of countries and territories which have failed to address their own *money laundering*, the *financing of terrorism, or proliferation financing* risks, and/or have in place insufficient *AML/CFT/CPF* regimes, in relation to which it has called for the application of countermeasures. These countries or territories are referred to in the *Money Laundering Order* as *enhanced risk states*. A person with a *relevant connection* to these countries or territories presents a higher risk of being involved in *money laundering*, the *financing of terrorism,* or the *financing of proliferation*, and doing business with such a person also poses an increased risk.

27. For the purpose of applying Article 15(1)(c) of the *Money Laundering Order*, *enhanced risk states* are those listed in **Appendix D1** of *this Handbook*.

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7.5.1 Application of enhanced *CDD* measures to a *customer* with a relevant connection to an enhanced risk state

Statutory requirements (paraphrased wording)

28. *Under Article 15(1)(c) of the Money Laundering Order, if the relevant person has or proposes to have a business relationship or proposes to carry out a one-off transaction with a customer having a relevant connection with a country or territory (an "enhanced risk state") in relation to which the FATF has called for the application of enhanced customer due diligence measures, a relevant person must apply enhanced CDD measures on a risk-sensitive basis.*

29. *Under Article 15(2)(a) of the Money Laundering Order, for the purpose of the Article 15(1)(c), a "customer" includes any of the following:*

a) a beneficial owner or controller of the customer;

b) a third party for whom the customer is acting;

c) a Beneficial owner or controller of a third party described above;

d) a person acting, or purporting to act, on behalf of the customer.

30. *Under Article 15(2)(b) of the Money Laundering Order a person has a relevant connection with an enhanced risk state if the person is:*

a) the government or a public authority of that state;

b) in relation to that state, a foreign PEP (within the meaning of Article 15A);

c) a person resident in that state;

d) a person having an address for business in that state;

e) A customer, where the source of the customer's funds is or derives from assets held in that state by the customer or by any person on behalf of the customer or income arising in that state.

AML/CFT/CPF Codes of Practice

[COP68] The enhanced *CDD* measures applied to a *customer* with a relevant connection to an enhanced risk state must include:

- requiring any new *business relationship* (and continuation thereof) or *one-off transaction* to be approved by senior management;
- where there is a *relevant connection* because a *customer's source of funds* is, or derives, from:
  - i) assets held in the state by the *customer* or by any person on behalf of the *customer;* or
  - i) income arising in the State, taking reasonable measures to find out the *customer's source of wealth*.

Guidance notes

31. A *supervised person* may demonstrate that it has taken reasonable measures to find out the *source of wealth* at the time that a *business relationship* is established, or *one-off transaction* carried out, where the measures taken are commensurate with risk and include one or more of the measures listed in paragraph 15 above.

32. Where a *relevant connection* is established during an existing relationship, a *supervised person* may also demonstrate that it has taken reasonable measures to find out the *source of wealth* where it reviews the relationship information that it already holds and concludes that it is reliable.

33. A *supervised person* may demonstrate that it has otherwise applied *enhanced CDD measures* where it does all the following:

- in a case where a document that has been used to obtain evidence of identity for a higher risk *customer*, e.g., a passport, subsequently expires, a *supervised person* may demonstrate that documents, data or information obtained under *identification measures* are kept up-to-date and relevant where a copy of the document that replaces that originally used to obtain evidence of identity is requested and obtained;
- in a case where a relationship is to be established making use of a suitable certifier, it obtains confirmation that a photograph contained in the document certified bears a true likeness to the individual requesting certification (or words to that effect);
- reviews the *business relationship* on at least an annual basis, including all documents, data and information obtained under *identification measures* in order to ensure that they are kept up-to-date and relevant;
- where monitoring thresholds are used, sets lower thresholds for transactions connected with the *business relationship*.

7.6 *Customer* who is a *Politically Exposed Person* (*PEP*)

Overview

34. Corruption by *PEPs* will inevitably involve serious crime, such as theft or fraud, and is of global concern. The proceeds of such corruption are often transferred to other countries and territories and concealed through private companies, trusts or foundations, frequently under the names of relatives or close associates of the perpetrator.

35. By their very nature, *money laundering* investigations involving the proceeds of corruption generally gain significant publicity and are therefore very damaging to the reputation of both the businesses and countries/territories concerned. This is in addition to the possibility of criminal charges.

36. Indications that a *customer* may relate to corruption include excessive revenue from “commissions” or “consultancy fees” or involvement in contracts at inflated prices, where unexplained “commissions” or other charges are paid to external parties.

37. The risk of handling the proceeds of corruption or becoming engaged in an arrangement that is designed to facilitate corruption, is greatly increased where the arrangement involves a *PEP*. Where the *PEP* also has connections to countries or business sectors where corruption is widespread, the risk is further increased.

38. The nature of *enhanced CDD measures* applied will be commensurate with the risk that is identified and nature of the *PEP* connection. In particular, the measures to be applied by a *supervised person* to a *PEP*:

- who is *the Minister* of Finance in a country that is prone to corruption may be very different to the measures to be applied to a senior politician with a limited portfolio in a country or territory that is not prone to corruption;
- as another example, the measures to be applied to a company that is a *listed entity*, the securities of which are traded on a recognised market, and which has an investor who is a *PEP* with a 1% holding in the scheme, may be very different to a private company established exclusively to hold investments for a *PEP*.

39. As a result, there is no "one-size fits all" approach to applying *enhanced CDD measures* for *PEPs*. There are mandatory enhanced *CDD* measures that must be applied on a risk-sensitive basis by *supervised persons* for *PEPs* to whom Article 15A of the *Money Laundering Order* applies. Such measures are set out in sub-section 15A(2), of the *Money Laundering Order* which include:

- approval of a new or continuation of a relationship or a new one-off transaction by senior management
- measures to establish source of wealth of the PEP and source of funds involved in the business relationship or one-off transaction.

40. Whilst *PEP* status does not in itself incriminate individuals or entities, it will mean that the *customer* may be subject to *enhanced CDD measures*. The nature and scope of a *supervised person's* activities will generally determine whether the existence of *PEPs* in its *customer* base is a practical issue for the *supervised person*.

7.6.1 Determining whether a *customer* is a *PEP*

Statutory requirements (paraphrased wording)

41. *Article 15A(3) of the Money Laundering Order provides the following definitions of PEP categories, which include an immediate family member or a close associate of the person:*

> ***"domestic PEP"** means a person who is an individual who is or has been entrusted with a prominent public function in Jersey including but not limited to:*
>
> - *heads of state, heads of government, senior politicians;*
> - *senior government, judicial or military officials;*
> - *senior executives of state-owned corporations;*
> - *important political party officials.*
>
> ***"foreign PEP"** means a person who is an individual who is or has been entrusted with a prominent public function in a country or territory outside Jersey including but not limited to:*
>
> - *heads of state, heads of government, senior politicians;*
> - *senior government, judicial or military officials;*
> - *senior executives of state-owned corporations;*

- *important political party officials.*

"prominent person" *means a person who is an individual who is or has been entrusted with a prominent public function by an international organisation.*

"prominent public function" *in relation to an international organisation, means a member of the senior management, including a director, deputy director, board member or other equivalent function.*

"immediate family member" *includes any of the following:*

- *a spouse;*
- *a partner, that is someone considered by their national law as equivalent or broadly equivalent to a spouse;*
- *children and their spouses or partners (as defined above);*
- *parents;*
- *grandparents and grandchildren;*
- *siblings.*

"close associate" *of a person includes any person who is known to maintain a close business relationship with the person, including a person who is in a position to conduct substantial financial transactions on behalf of the person.*

42. *Under Article 15A(4) of the Money Laundering Order, for the purpose of deciding whether a person is a close associate of a person, a relevant person need only have regard to information which is in that person's possession or is publicly known.*

Guidance notes –senior executives of state-owned corporations

43. *Senior executives of state-owned corporations* are those individuals with executive decision-making authority. For domestic corporations only this would not normally include non-executive directors, where they do not have such authority.

44. State-owned corporations, as referred to above, may include 'arm's length' corporations whereby the state was involved in the set-up of the corporation but does not own or 100% own the corporation.

7.6.2 *Enhanced CDD measures* in relation to PEPs

Statutory requirements (paraphrased wording)

45. *Article 15A of the Money Laundering Order applies to a relevant person:*

- *who has or proposes to have a business relationship with, or proposes to carry out a one-off transaction with, a foreign PEP; or*
- *who has or proposes to have a high-risk business relationship, or proposes to carry out a high-risk one-off transaction with, a domestic PEP or prominent person; or*
- *if any of the following is a foreign PEP or, in the case of a high-risk business relationship or one-off transaction, a domestic PEP or prominent person:*

i) a Beneficial owner or controller of the customer of the relevant person;

ii) a third party for whom the customer of the relevant person is acting;

iii) a Beneficial owner or controller of a third party described in clause (ii) above;

iv) a person acting or purporting to act on behalf of the customer of the relevant person.

46. *A relevant person to whom Article 15A of the Money Laundering Order applies must apply enhanced CDD measures on a risk-sensitive basis including:*

- *unless the relevant person is a sole trader, measures requiring a new business relationship or continuation of a business relationship or a new one-off transaction to be approved by the senior management of the relevant person;*
- *measures to establish the source of the wealth of the PEP and source of the funds involved in the business relationship or one-off transaction;*
- *measures to conduct the enhanced ongoing monitoring of that relationship; and*
- *if the relevant business relationship relates to a life insurance policy, measures requiring the senior management to be informed before any payment is made under the policy or any right vested under the policy is exercised.*

47. In Article 15A of the *Money Laundering Order:*

"enhanced ongoing monitoring" *means ongoing monitoring that involves specific and adequate measures to compensate for the higher risk of money laundering.*

"high risk"*, in relation to a business relationship or one-off transaction, means any situation which by its nature can present a higher risk of money laundering.*

"source of the wealth" *means the source generating the total net worth of funds of the politically exposed person, whether those funds are used in the business relationship or one-off transaction.*

48. Under Article 15A(2A) of the *Money Laundering Order* a domestic politically exposed person is relieved of such status 2 years after the person ceases to be entrusted with a prominent public function if the relevant person is satisfied that:

i) following a risk assessment, the person does not present a higher risk of money laundering; and

ii) there is no reason to continue to treat the person as a politically exposed person.

49. Under Article 15A(2B) of the Money Laundering Order a foreign politically exposed person is relieved of such status after 5 years of the person ceasing to be entrusted with a prominent public function if the relevant person is satisfied that:

i) following a risk assessment, the person does not present a higher risk of money laundering; and

ii) there is no reason to continue to treat the person as a politically exposed person.

50. Under Article 15A(2C) of the Money Laundering Order a prominent person is relieved of politically exposed person status 5 years after the person ceases to be entrusted with a prominent public function by an international organisation if the relevant person is satisfied that:

i) following a risk assessment, the person does not present a higher risk of money laundering; and

ii) there is no reason to continue to treat the person as a politically exposed person.

51. Under Article 15A(2D), Articles 15A(2A) to Article 15A(2C) of the Money Laundering Order also apply to immediate family members or close associates of the politically exposed person.

52. Article 15A(3) of the Money Laundering Order defines a prominent public function in relation to an international organisation as being a member of the senior management, including a director, deputy director, board member or other equivalent function.

AML/CFT/CPF Codes of Practice

[COP69] Policies and procedures maintained in line with Article 11 of the *Money Laundering Order* must recognise that *customer*s may subsequently acquire PEP status.

[COP70] A domestic PEP can only be considered as no longer being a PEP, two years after they cease to be entrusted with a prominent public function if, following a risk assessment, the person does not present a higher risk of *money laundering* and there is no reason to continue to treat the person as a PEP.

[COP71] A foreign PEP can only be considered as no longer being a PEP five years after they cease to be entrusted with a prominent public function if, following a risk assessment, the person does not present a higher risk of *money laundering* and there is no reason to continue to treat the person as a PEP.

[COP72] A prominent person can only be considered as no longer being a PEP five years after they cease to be entrusted with a prominent public function if, following a risk assessment, the person does not present a higher risk of *money laundering* and there is no reason to continue to treat the person as a prominent person.

Guidance notes

53. The *customer* will often be a key source of this information that will be collated during the *CDD* process at onboarding and during ongoing monitoring. It is good practice to require the *customer* as part of their terms of engagement to be required to self-identify themselves as a PEP, close associate or immediate family member of a PEP. However, this is not the sole method for identifying close associates. In line with Article 15A(4) of the *Money Laundering Order*, a relevant person is only required to consider information that is already in their possession or is publicly known when making this determination.

54. Summary of Enhanced *CDD* measures dependent on key PEP characteristics:

Type of PEP (includes close associates and family members)	**Foreign *PEP***	**Domestic *PEP***	***Prominent person***
Application of Enhanced *CDD* measures	All	High risk business relationship or one-off transaction only	High risk business relationship or one-off transaction only
May be declassified after ceased to act for period specified and prescribed conditions met.	5 years	2 years	5 years

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Guidance notes – Foreign *PEPs*

55. The requirements in Article 15A of the *Money Laundering Order* apply to relationships and one-off transactions with all foreign *PEPs* (such term always including their immediate family and close associates) not just high-risk foreign *PEPs*. For the avoidance of doubt Foreign means a PEP in a country or territory outside Jersey, for example which will include the United Kingdom and Guernsey.

56. A *supervised person* required to adhere to Jersey AML/CFT/CFP requirements that may be part of a Group located outside of Jersey should ensure that the Jersey requirements are met. For example, UK PEPs are foreign PEP's for Jersey purposes and the starting point is not that they should automatically be treated as lower risk.

57. Where the existence of foreign *PEPs* is a practical issue, a *supervised person* may demonstrate that it has appropriate *policies and procedures* for determining whether a *customer* or prescribed person is a *PEP* where it does the following:

- assesses those countries and territories to which *customers* are connected, which pose the highest risk of corruption. See section 3.3.4.1 of *this Handbook*;
- finds out who the current and former holders of prominent public functions are within those *higher risk countries and territories* and determines, as far as is reasonably practicable, whether *customers* have any connections with such individuals (including through immediate family or close associates). In determining who the current and former holders of prominent public functions are, it may have regard to information already held by the *supervised person* and to external information sources such as the *UN*, the European Parliament, the *UK* Foreign, Commonwealth & Development Office, the Group of States against Corruption, and other external data sources (see section 3.3.4.2 of *this Handbook*); and
- exercises vigilance where *customers* are involved in business sectors that are vulnerable to corruption such as (but not limited to) oil or arms trades.

58. Where a *supervised person* runs the details of all its *customers* and prescribed persons through an external data source (e.g., a screening package) to determine whether any of them are *PEPs*, it should nevertheless also assess those countries and territories to which *customers* are connected, which pose the highest risk of corruption, and exercise particular vigilance where *customers* are involved in business sectors that are vulnerable to corruption.

59. Where the *customer* is a *PEP* by virtue of their position as a senior executive of a sovereign wealth fund, the *supervised person* should check if the body is a member of the *IFSWF.* The *IFSWF* promotes transparency, good governance, and sound investment practices. Whilst membership of the *IFSWF* alone cannot guarantee that a sovereign wealth fund or senior executive thereof will act with integrity, the information provided on the *IFSWF*'s website regarding the sovereign wealth fund may support other *CDD* measures undertaken.

60. In a case where a *PEP* is a director (or equivalent) of a *customer*, or person acting or purporting to act for a *customer*, and where no property of that *PEP* is handled in the particular *business relationship* or *one-off transaction*, a *supervised person* may demonstrate that it applies specific and adequate measures under Article 15A(2) of the *Money Laundering Order* where it considers the nature of the *PEP's* connection and reason why the *PEP* has such a connection.

61. Similarly, where a *PEP* is a trustee or a general partner that is a *customer* or is a beneficiary or object of a power of a trust, and where no property of that *PEP* is handled in the particular *business relationship* or *one-off transaction*, a *supervised person* may demonstrate that it applies specific and adequate measures under Article 15A(2) of the *Money Laundering Order* where it considers the nature of the *PEP's* connection and reason why the *PEP* has such a connection.

7.6.2.1 Declassification of foreign *PEP*s and *prominent persons*

62. For the purposes of declassification, immediate family members, and close associates of *foreign PEPs*, and *prominent persons,* should be treated like PEPs.

63. A declassification assessment may occur once the relevant time period has passed. The timing of such an assessment, if at all, is at the discretion of the *supervised person.*

64. When a *supervised person* is considering the declassification of foreign *PEPS*, *and prominent persons*, *supervised persons* might consider the following:

- The level of inherent corruption risk in the country of political exposure;
- The position held and its susceptibility to corruption or misappropriation of state funds or assets;
- Length of time in office and the likelihood of return to office in the future;
- The level of transparency about the source of wealth and origin of funds, in particular funds generated while in office;
- Links to any industries that are high risk for corruption;
- The overall plausibility of the stated *customer* profile and net worth;
- The level of transparency and plausibility of transactions processed through the account;
- Whether there is relevant adverse information about the *customer* published in reputable sources; and
- How politically connected they remain once they have left office.

65. For further guidance on declassifying PEPs *supervised persons* can refer to the following:

- *The Wolfsberg Group Guidance; and*
- *The FATF Guidance on Recommendation 12 and 22.*

Guidance notes – Domestic *PEPs*

66. The requirements in Article 15A(4) of the *Money Laundering Order* apply to high-risk business relationships or high-risk one-off transactions with domestic *PEPs or prominent persons* (such terms always including their immediate family and close associates).

67. In determining whether someone is a domestic *PEP*, a *supervised person* should consider the criterion set out at Article 15A(4) of the *Money Laundering Order* – namely that a *PEP* is an individual who is or has been entrusted with a prominent public function, for example:

- heads of state, heads of government, senior politicians;
- senior government, judicial or military officials;

- senior executives of state-owned corporations;
- important political party officials.

68. In the context of Jersey, this will include (but is not limited to) the following positions:

- Lieutenant-Governor;
- Ministers (but not necessarily deputy Ministers);
- Chief Executive of the States of Jersey;
- Director-Generals of the States of Jersey;
- HM Attorney-General;
- HM Solicitor-General;
- Commissioners of the *JFSC*;
- Director General of the *JFSC*;
- Registrar of Companies;
- Information Commissioner;
- Comptroller and Auditor-General;
- Bailiff;
- Deputy Bailiff;
- Judicial Greffier;
- Comptroller of Taxes;
- HM Receiver General;
- Senior Executives of state-owned Body Corporates (or similar).

69. Note that this will also include immediate family members and close associates of individuals listed above. It is good practice to periodically check that your *PEP*-related definitions align with those in Article 15A of the *Money Laundering Order* and *this Handbook* guidance.

70. Middle ranking or junior officials are unlikely to be *PEPs* unless their political exposure is comparable to that of a similar position at national level.

7.6.2.2 **Declassification of domestic *PEP*s**

71. A declassification assessment may occur once the relevant time period has passed. The timing of such an assessment, if at all, is at the discretion of the *supervised person.*

72. When a *supervised person* is considering the declassification of domestic *PEP*s, *supervised persons* might consider the following:

- The level of inherent corruption risk in the country of political exposure;
- The position held and its susceptibility to corruption or misappropriation of state funds or assets;
- Length of time in office and the likelihood of return to office in the future;
- The level of transparency about the source of wealth and origin of funds, in particular funds generated while in office;

- Links to any industries that are high risk for corruption;
- The overall plausibility of the stated *customer* profile and net worth;
- The level of transparency and plausibility of transactions processed through the account;
- Whether there is relevant adverse information about the *customer* published in reputable sources; and
- How politically connected they remain once they have left office.

73. *Supervised persons* may apply *enhanced CDD measures* for a longer period if required after considering the factors above and deciding the *PEP* should not be declassified.

74. For further guidance on declassifying domestic PEPs *supervised persons* can refer to the following:

- *The Wolfsberg Group Guidance; and*
- *The FATF Guidance on Recommendation 12 and 22.*

7.6.2.3 Higher risk domestic *PEPs*

75. As set out in Article 15A(1)(b) of the *Money Laundering Order*, mandatory *enhanced CDD measures* are only required in relation to *business relationships* or *one-off transactions* with domestic *PEPs* which are assessed as higher risk. This is not the case for foreign *PEPs* where *enhanced CDD measures* are required for all risk ratings.

76. Individuals entrusted with a prominent public function in Jersey may be considered to pose a low risk, unless a *supervised person* considers that other specific risk factors indicate a higher risk. Particular consideration should be given to the following characteristics that might indicate a higher risk:

- responsibility for, or ability to influence, large public procurement exercises;
- responsibility for, or ability to influence, allocation of government licenses (or similar);
- personal wealth or lifestyle inconsistent with known legitimate sources of income or wealth*;*
- credible allegations of financial misconduct.

77. Similarly, immediate family or close associates of individuals entrusted with a prominent public function in Jersey may be considered to pose a low risk, unless a *supervised person* considers that other specific risk factors indicate a higher risk. Particular consideration should be given to the following characteristics that might indicate a higher risk:

- wealth or lifestyle inconsistent with known legitimate sources of income or wealth;
- credible allegations of financial misconduct;
- wealth derived from the granting of government *Licence*s (or similar);
- wealth derived from preferential access to the privatisation of former state assets.

7.7 Non-resident *customer*

Overview

78. *Customers* who are not resident in a country or territory, but who nevertheless seek to form a *business relationship* or conduct a *one-off transaction* with a *supervised person* in that country or territory will typically have legitimate reasons for doing so. Some *customers* will, however, pose a risk of *money laundering,* the *financing of terrorism,* or the *financing of proliferation* and may be attempting to move illicit funds away from their country or territory of residence or attempting to further conceal funds sourced from that country or territory.

Statutory requirements (paraphrased wording)

79. *Under Article 15(1)(a) of the Money Laundering Order, if a customer has, or proposes to have, a business relationship or proposes to carry out a one-off transaction with the relevant person and the relevant person is not resident in the customer's country of residence or in the same country as the country from which, or from within which, the customer is carrying on business, a relevant person must apply enhanced customer due diligence measures on a risk-sensitive basis.*

Guidance notes

80. A *supervised person* may demonstrate that it has applied *enhanced CDD measures* under Article 15(1)(a) of the *Money Laundering Order*, where it has applied additional measures that are commensurate with risk. Additional measures may include one or more of the following:

- determining the reasons why the *customer* is looking to establish a *business relationship* or carry out a *one-off transaction* other than in their home country or territory; and/or
- the use of external data sources to collect information on the *customer* and the country risk of the *customer's* home country or territory (see section 3.3.4.1 of *this Handbook*) to build a *customer* business and risk profile similar to that available for a resident *customer*.

7.8 Complex higher risk structures

AML/CFT/CPF Codes of Practice

[COP73] A supervised person must apply proportionate and relevant enhanced due diligence to a customer where the structure is complex, and the complexity contributes to the customer being assessed as high-risk.

Jersey Financial Services Commission

7.8.1 CDD to EDD trigger and scope

Guidance notes

81. Where a customer or a linked arrangement relevant to beneficial ownership, control, or purpose is complex, that complexity alone does not trigger enhanced customer due diligence (EDD). If the rationale for the complexity remains unclear, insufficiently evidenced or where beneficial ownership and control information is incomplete and further enquiry is required, this may lead to the customer being identified as high-risk, triggering the requirement for EDD. Where transparency cannot be achieved after reasonable enquiries and application of proportionate EDD, *supervised persons* should consider declining or exiting the relationship and assess any suspicious activity reporting obligations. EDD centres on the customer and surrounding arrangements are considered only to the extent needed to establish beneficial ownership and/or control and purpose of the structure.

82. Enhanced CDD measures may include one or more of the following. This list is non-exhaustive.

a. Establishing Legitimacy

- Most supervised persons obtain rationale and structure charts as part of CDD measures. Enhancements may include obtaining supporting documentation (e.g. legal opinions, tax advice, professional advice, board/executive approvals, transaction papers, minutes) that evidence the purpose and legitimacy of the structure proportionate to the risk (this does not presume advice exists for the entire structure).
- Where a structure is complex and high-risk but standardised and ultimately transparent, supervised persons may document the rationale for proportionate EDD in their policies and confirm it applies to the customer, with any adjustments, instead of repeating the full EDD each time.

b. Source of Wealth and Funds

› Where the complexity of a structure requires enhanced CDD measures to verify beneficial owners source of funds and source of wealth proportionate to the risk. EDD may be achieved by obtaining independent documentation such as audited financials, bank statements, or asset sale agreements (see also section 7.3 paragraph 15)

Controllers who do not contribute funds and have no economic interest would not normally provide source of wealth/source of funds. It may be necessary to obtain targeted information only where controllers contribute funds, exercise material control creating financial crime risk, or where other red flags may be present.

c. Understanding transactional flows (where flows drive the complexity)

- Evidence an understanding of expected flows within the structure (e.g. funding, distributions, fees) and assess unusual routings that lack commercial purpose.

d. Independent Verification

- Where proportionate, use independent sources or external experts (e.g. due diligence reports, legal/accounting opinions, forensic reviews) to corroborate rationale, ownership/control, or fund flows.

e. Face to Face

- In high-risk cases consider meeting the ultimate beneficial owner in person or equivalent where feasible.

Where existing high-risk monitoring does not already address the risks relating to complexity the measures below may be applied in conjunction with other enhanced CDD measures.

f. Ongoing Monitoring

- Monitoring frequency should be adjusted where complexity materially increases risk beyond the *supervised person*'s baseline high-risk schedule.
- Set enhanced triggers for re-assessment.

g. Senior Management Approval

- Require sign-off from senior management before onboarding or continuing where the relationship is assessed as high-risk and complexity contributes to that rating, documenting residual risk and mitigations.

7.9 *Customer* provided with private banking services

Overview

83. Private banking is generally understood to be the provision of banking and investment services to high-net- worth *customers* in closely managed relationships. It often involves complex, bespoke arrangements and high value transactions across multiple countries and territories. Such *customers* may therefore present a higher risk of *money laundering,* the *financing of terrorism,* or the *financing of proliferation*.

84. A trustee who may from time to time facilitate such banking or investments services as part of carrying on *Trust Company Business* is not considered to be providing private banking services, where such facilitation is ancillary to the core business of acting as a trustee.

Statutory requirements (paraphrased wording)

85. *Under Article 15(1)(f) of the Money Laundering Order, if the relevant person provides or proposes to provide a customer with private banking services, a relevant person must apply enhanced CDD measures on a risk-sensitive basis.*

86. *Under Article 15(3), a service is a "private banking service" if the service is offered, or it is proposed to offer the service, only to persons identified by the service provider as being eligible for the service, having regard to the person's net worth, and the service:*

a) involves a high value investment;

b) is a non-standard banking or investment service tailored to the person's needs, or uses corporate or trust investment structures, tailored to the person's needs; or

c) offers opportunities for investment in more than one jurisdiction.

Guidance notes

87. A *supervised person* may demonstrate that it has applied *enhanced CDD measures* under Article 15(1)(f) of the *Money Laundering Order* in respect of a private banking relationship, where it has applied additional measures that are commensurate with risk. Additional measures may include:

- taking reasonable measures to find out the *source of funds* and *source of wealth;*
- reviewing the *business relationship* on at least an annual basis, including all documents, data and information obtained under *identification measures* in order to ensure that they are kept up-to-date and relevant;
- where monitoring thresholds are used, setting lower thresholds for transactions connected with the *business relationship*.

7.10 *Customer* that is a personal asset holding vehicle

Overview

88. Personal asset holding vehicles are legal persons or legal arrangements established by individuals for the specific purpose of holding assets for investment. The use of such persons or arrangements may make identification of ultimate beneficial owners more difficult since layering of ownership may conceal the true source or controller of the investment.

89. Article 15(1)(e) of the *Money Laundering Order* is intended to apply in two specific scenarios:

- where the personal asset holding vehicle is the *customer*; or
- where the personal asset holding vehicle is the third party for whom a trustee or general partner (the *customer*) is acting.

Guidance notes

90. A *supervised person* may demonstrate that it has applied *enhanced CDD measures* under Article 15(1)(e) of the *Money Laundering Order*, where it has applied additional measures that are commensurate with risk. Additional measures may include:

- understanding the structure of the vehicle, determining the purpose and rationale for making use of such a vehicle, and being satisfied that the *customer's* use of such an investment vehicle has a genuine and legitimate purpose;
- taking reasonable measures to find out and document the *source of funds* and *source of wealth*.

7.11 Customer that is a company with nominee shareholders or issues bearer shares

Overview

91. Companies with nominee shareholders or bearer shares (or the ability to issue bearer shares in the future) may present a higher risk because such arrangements make it possible to hide the identity of the *beneficial owner(s)* and/or changes in beneficial ownership by separating legal and beneficial ownership, or because there is no trail of ownership, which introduces a degree of anonymity.

92. Nevertheless, nominee shareholders are often used for good and legitimate reasons, e.g., to ease administration and reduce client costs by enabling a nominee to take necessary corporate actions, such as the passing of resolutions, in the day-to-day administration of a corporate structure.

93. Where one or more of the following circumstances apply, the *customer* **should not** be considered to be a *customer* that issues bearer for the purpose of Article 15(1) of the *Money Laundering Order*:

- the bearer shares are issued by a company in a country or territory that has fully enacted appropriate legislation to require bearer shares to be registered in a public registry and the bearer shares are so registered; or
- the bearer shares are traded on an approved stock exchange; or
- all issued bearer shares are held in the custody of the *supervised person*, the *customer* or trusted external party along with an undertaking from that trusted external party or *customer* to inform the *supervised person* of any transfer or change in ownership.

Statutory requirements (paraphrased wording)

94. *Under Article 15(1)(d) of the Money Laundering Order, if a customer of a relevant person is a company with nominee shareholders or that issues shares in bearer form, a relevant person must apply enhanced CDD measures on a risk-sensitive basis.*

Guidance notes

95. A *supervised person* may demonstrate that it has applied *enhanced CDD measures* under Article 15(1)(d) of the *Money Laundering Order*, where it has applied additional measures that are commensurate with risk.

96. In the case of *customers* who are companies with nominee shareholders, additional measures may include:

- determining and being satisfied with the reasons why the *customer* is making use of nominees;
- using external data sources to collect information on the fitness and propriety of the nominee (such as its regulated status and reputation) and the particular country risk.

97. In the case of *customers* who are companies with bearer shares (or the ability to issue bearer shares in the future), additional measures may include:

- determining and being satisfied with the reasons why the *customer* has issued bearer shares or retains the ability to do so;
- ensuring that any new or continued *business relationship* or any *one-off transaction* is approved by the *senior management* of the *supervised person*;
- reviewing the *business relationship* on at least an annual basis, including all documents, data and information obtained under *identification measures* to ensure that they are kept up to date and relevant.

7.12 Correspondent banking and similar relationships

Overview

98. **Correspondent Banking** is defined as the provision of *Banking Services* by a *Jersey financial institution* or *VASP* (i.e. the **correspondent**) to a *foreign financial institution* or *VASP* that itself provides *Banking Services* to its *customers* (i.e. the **respondent**, but only where the *respondent* is not in Jersey).

99. **Banking Services** include the following:

- providing a current or other liability account;
- cash management;
- international funds transfers;
- cheque clearing;
- providing *customer*s of the respondent with direct access to accounts with the correspondent (and vice versa); and
- providing foreign exchange services.

100. In accordance with the *FATF* standard, *Supervised Persons* that are *financial institutions* and *VASPs* must also apply enhanced measures in relation to *similar relationships,* being those where financial services other than *Banking Services* are provided by the *supervised person* (the correspondent) to an overseas *financial institution or VASP* (the respondent) for the benefit of *customer*s of the respondent, including for example, those established for securities transactions. The degree of *AML/CFT* risk in such relationships is different, generally lower, than it is with relationships which provide for *Banking Services*; they are more similar to normal *customer* relationships.

101. As a result, in both cases (*correspondent banking and similar relationships*), the correspondent makes its services available to the *customer*s of the *respondent*. In doing so, the correspondent potentially exposes itself to additional risk. This section sets out the additional *CDD measures* required by the *Money Laundering Order* to appropriately manage the risk presented by such relationships and provides guidance.

102. *Jersey financial institutions and VASPs* are prohibited by the *Money Laundering Order* from entering into correspondent *banking relationships* with shell banks and must take steps to ensure they do not provide *correspondent banking services* to banks that *permit shell banks* to have accounts.

Statutory requirements (paraphrased wording)

103. Article 15B of the *Money Laundering Order* applies to a Jersey VASP which has or proposes to have a correspondent banking or similar relationship with a foreign financial institution or foreign VASP. Article 15B of the *Money Laundering Order* applies to a Jersey financial institution or VASP who has or proposes to have a correspondent banking or similar relationship with a financial institution or VASP whose address for that purpose is outside Jersey.

104. Under Article 15B(2) of the *Money Laundering Order* a Jersey financial institution or VASP must apply enhanced customer due diligence measures on a risk-sensitive basis including:

- gathering sufficient information about the institution to understand fully the nature of its business;

- determining the reputation of the institution and the quality of its supervision, including whether it has been subject to any money laundering investigation or regulatory action;
- assessing the institution's systems and controls to combat money laundering in order to determine whether they are consistent with the requirements of the FATF recommendations and their effectiveness;
- requiring any new relationship to be approved by the senior management of the relevant person;
- ensuring that both the relevant person and the institution clearly understand their respective responsibilities to prevent and detect money laundering and recording those responsibilities;
- being satisfied that, in respect of customers of the institution who have services provided directly by the relevant person, that the institution has applied customer due diligence measures at least equivalent to those set out in this Order and is able to provide a copy, at the request of the relevant person, of the evidence, documents, data and information obtained when applying such measures.

105. Article 23A(1) of the *Money Laundering Order* provides that a Jersey financial institution or VASP must not enter into a correspondent banking relationship, or continue an existing correspondent banking relationship, with a respondent that is a shell bank.

106. Article 23A(2) of the *Money Laundering Order* provides that a Jersey financial institution or VASP must take appropriate measures to ensure that it does not enter into a correspondent banking relationship, or continue an existing correspondent banking relationship, with a financial institution or VASP that is known to permit its accounts to be used by a shell bank.

107. Article 23A(4)(b) of the *Money Laundering Order* defines "shell bank" as a bank incorporated in a jurisdiction in which it has no physical presence involving meaningful decision-making and management, and which is not subject to supervision by the JFSC or by an overseas regulatory authority by reason of that bank's connection with any other institution or person.

Guidance notes

108. This part of the *Money Laundering Order* and this guidance applies to *supervised persons* that are *financial institutions or VASPs* that have *correspondent banking* or *similar relationships* with an overseas *financial institution or VASP*.

109. The *respondent's* address for this purpose should be considered to be overseas unless the transaction is with the *Jersey office* of a business.

110. A *correspondent* may demonstrate that it has gathered sufficient information about the respondent where it obtains information concerning the following:

- the geographic location of its *customer* base;
- the general nature of its *customer* base;
- the nature of the services which the Institution provides to its *customer*s;
- whether relationships are conducted by the Institution on a non-face to face basis;

- the extent to which the institution relies on third parties to identify and hold evidence of identity or to conduct other *CDD measures* on *customer*s.

111. A *supervised person* may determine the respondents' reputation by assessing its stature from publicly available information from credible sources on the reputation of the *respondent* and the quality of the supervision to which it is subject.

112. A *correspondent* may determine that a *respondent*'s systems and controls are consistent with the requirements of the *FATF Recommendations* where the *respondent* carries on equivalent business (see Section 1.8 of *this Handbook*).

113. Where *customer*s of the *respondent* have direct access to the services of the *correspondent*, a *correspondent* may satisfy itself as to the adequacy of the respondent's *CDD measures*, and its ability to provide relevant *CDD* information and documents on request where either:

a) It obtains a written assurance from the *respondent* to this effect; or

b) The *correspondent bank* may also satisfy itself as to the adequacy of the *CDD measures* of the r*espondent* and its ability to produce information and documentation on request by periodically requesting relevant *CDD* information and documents from the institution.

114. Where the *correspondent* provides *correspondent banking*, the *correspondent* should also consider the following guidance:

a) Correspondent Banking Services (FATF);

b) Correspondent Banking Principles (Wolfsberg Group);

c) *Money laundering* – UK Joint Money Laundering Steering Group's Guidance (JMLSG), Part II, Chapter 16 - the guidance relating to "Correspondent Banking Relationships".

115. For *similar relationships*, it should also consider the following guidance:

a) *Money laundering* – UK Joint Money Laundering Steering Group's Guidance (JMLSG),Part II, Chapter 16 - the guidance relating to "Correspondent Trading Relationships".

116. Regarding the definition of a *shell bank,* "physical presence" means meaningful mind and management located within a country. The existence simply of a local agent or low-level staff does not constitute physical presence.

7.13 *Enhanced CDD measures* – transitional arrangements

Overview

117. Where amendments to the *Money Laundering Order* introduce new *CDD* requirements applicable to *business relationships* and *one-off transactions*, these requirements do not apply retrospectively, and no remediation project is required.

118. However, Article 13(1)(c)(ii) of the *Money Laundering Order* requires a *supervised person* to apply *identification measures* where the *supervised person* has doubts about the veracity or adequacy of documents, data or information previously obtained. In the context of this section, this would include where documents, data or information previously obtained for a *business relationship* do not satisfy additional new *CDD* requirements, such as those set out in the *Money Laundering (Amendment No.10) (Jersey) Order 2019*.

119. This means that where, during the course of its regular review of a *business relationship* (pursuant to Article 3(3)(b) of the *Money Laundering Order* and discussed at section 6 of *this Handbook*) a *supervised person* becomes aware that documents, data or information previously obtained do not satisfy the additional *CDD* requirements set out in the *Money Laundering (Amendment No.10) (Jersey) Order 2019* (or any other subsequent amendments), the *supervised person* will need to apply *CDD* measures to that *customer* at that time, in line with the requirement in Article 13(1)(c)(ii) of the *Money Laundering Order.*