

MANDATORY FINTRAC Requirements For Non-registered Investments, GICs & Annuities

(Also relevant for Life Applications including Universal Life, Whole Life & Living Benefits with ROP)

Beneficial Ownership Information - Identifying owners of individual insurance policies

If you are a financial entity, a securities dealer, a life insurance company, broker or independent agent, or a money services business, you have to take reasonable measures to obtain beneficial ownership information about entities. All individuals who own or control, directly or indirectly, 25% or more of the entity are considered beneficial owners. For high risk situations, the beneficial ownership should be updated at least every two years. - As per FINTRAC website Guideline 4, Section 6.3

I. For Individuals – If this contract is owned by an individual, please complete the following.

I have verified and recorded the following ownership information on the insurance carrier application:

- ☐ Owner name
- ☐ Owner address
- ☐ Owner date of birth
- ☐ Nature of owner's principle business or Occupation (**Vague titles like "Retired" or "Consultant" are not acceptable**)
- ☐ Owner's ID verification (*The client's ID must be clearly verified using an original and unexpired; birth certificate, driver's license, provincial health card*, passport. The document number, issue date and jurisdiction of issue must be recorded*).

* You can refer to an individual's provincial health card, but only if it is not prohibited by provincial or territorial legislation. **For example, you cannot refer to an individual's provincial health card from Ontario, Manitoba or Prince Edward Island** since health cards cannot be used for this purpose in these provinces. As another example, in Quebec, you cannot request to see a client's health card, but you may accept it if the client wants to use it for identification purposes. If you have questions about the use of health cards for identification, please contact the appropriate provincial issuer for more information. (FINTRAC Guideline 6, section 4.7)

II. For Corporations – If this contract is owned by a corporation, please check-off the appropriate boxes below.

I have verified and recorded on the carrier application, the existence, name and address of the corporation; including ownership, control and structure of the corporation. I have also recorded names of all directors of the corporation and the names and addresses of all individuals who directly or indirectly own or control 25% or more of the shares of the corporation. The existence of the corporation has been verified by:

- ☐ Certificate of corporate status; or
- ☐ A record that it is required to file annually under the applicable provincial securities legislation; or
- ☐ Any other record that ascertains its existence as a corporation
- ☐ Corporation verified using method asked for within investment application

III. For Trusts – If this contract is owned by a trust, please check-off the appropriate boxes below.

I have verified and recorded on the carrier application:

- ☐ The names and addresses of all trustees and all known beneficiaries and settlors of the trust (**Mandatory**)
- ☐ Information on the ownership, control and structure of the trust (**Mandatory**)

IV. For Entities Other Than Corporations and Trusts – If this contract is owned by an entity other than a corporation or trust.

I have verified and recorded on the carrier application, the existence, ownership, control and structure of the entity, including the names and addresses of individuals who directly or indirectly control 25% or more of the entity. The existence of the entity has been verified by viewing and submitting a copy of:

- ☐ Partnership agreement
- ☐ Articles of Association

V. Not-For-Profit Entities

I have verified and recorded on the carrier application, a record that indicates whether the customer is a charity registered with CRA or a non-registered entity that solicits charitable financial donations. I have verified that the entity is (tick one of the following):

- ☐ A charity registered with the Canada Revenue Agency under the Income Tax Act
- ☐ A non-registered entity that solicits charitable financial donations

Third Party Determination

In making this application, is the Owner acting on behalf of a third party? (Your answer should be 'Yes' if someone other than the Annuitant or Owner is contributing the funds, or has, or will have, an ownership interest in this Contract.)

- ☐ **NO**
- ☐ **YES** and I have verified and obtained required third party information which includes the third party's name, address, date of birth and the nature of the principal business or occupation of the third party as required within the application.

Politically exposed foreign person record - If making a lump sum payment of \$100,000 or more for an immediate annuity or life insurance policy, is payment coming from an individual who is a politically exposed person?

☐ **YES** ☐ **NO**

You must take reasonable measures to determine if a person who makes a lump-sum payment of \$100,000 or more in respect of an immediate or deferred annuity or life insurance policy on their own behalf or on behalf of a third party is a politically exposed foreign person (PEFP).

A 'politically exposed foreign person' is a person who holds or has held one of the following offices or positions in or on behalf of a foreign state: (a) head of state or head of government; (b) member of the executive council of government or member of a legislature; (c) deputy minister or equivalent rank; (d) ambassador or attaché or counselor of an ambassador; (e) military officer with a rank of general or above; (f) president of a state-owned company or a state-owned bank; (g) head of a government agency; (h) judge; (i) leader or president of a political party represented in a legislature; or (j) holder of any prescribed office or position. It includes any prescribed family member of such a person.

For the purpose of the definition of a PEFP, the prescribed family members of a politically exposed foreign person are (a) the person's spouse or common-law partner; (b) a child of the person; (c) the person's mother or father; (d) the mother or father of the person's spouse or common-law partner; and (e) a child of the person's mother or father.

Where it has been determined that a person is a PEFP, you must take reasonable measures to establish the source of the funds that have been used for the transaction in question, the transaction must be reviewed by a member of senior management, and the review must be completed within 14 days after the day on which the transaction occurred.

Every life insurance broker or agent, unless dealing in reinsurance, shall keep a record of the following information when a PEFP transaction is reviewed: (a) the office or position in respect of which the person initiating the transaction is determined to be a politically exposed foreign person; (b) the source, if known, of the funds that are used for the transaction; (c) the date of the determination that the person is a politically exposed foreign person; (d) the name of the member of senior management who reviewed the transaction; and (e) the date the transaction was reviewed.