

Responding to discrepancies

- 4.12.8 An AML/CTF program must include appropriate risk-based systems and controls for the reporting entity to respond to any discrepancy that arises in the course of verifying information collected about each beneficial owner so that the reporting entity can determine that it is reasonably satisfied that each beneficial owner is the person that the customer claims they are.

Procedure to follow where unable to determine the identity of the beneficial owner

- 4.12.9 If the reporting entity is unable to ascertain a beneficial owner, the reporting entity must identify and take reasonable measures to verify:
- (1) for a company (other than a company which is verified under the simplified company verification procedure under paragraph 4.3.8 of these Rules) or a partnership, any individual who:
 - (a) is entitled (either directly or indirectly) to exercise 25% or more of the voting rights, including a power of veto, or
 - (b) holds the position of senior managing official (or equivalent);
 - (2) for a trust (other than a trust which is verified under the simplified trustee verification procedure under paragraph 4.4.8 of these Rules), any individual who holds the power to appoint or remove the trustees of the trust;
 - (3) for an association or a registered co-operative, any individual who:
 - (a) is entitled (either directly or indirectly) to exercise 25% or more of the voting rights including a power of veto, or
 - (b) would be entitled on dissolution to 25% or more of the property of the association or registered co-operative, or
 - (c) holds the position of senior managing official (or equivalent).

Note: In addition to the verification procedures set out in Part 4.12, a reporting entity may be able to use a disclosure certificate. Details regarding disclosure certificates are set out in Chapter 30 of the AML/CTF Rules.

Part 4.13 Collection and Verification of Politically Exposed Person information

- 4.13.1 An AML/CTF program must include appropriate risk-management systems to determine whether a customer or beneficial owner is a politically exposed person. The determination must occur either before the provision of a designated service to the customer or as soon as practicable after the