

# UBO Checklist: See through the smoke and mirrors

Recent global events have spotlighted the need for organisations to work closer with customers and establish the identity of ultimate beneficial owners (UBOs). Below is our checklist of some suggested tips for use in customer conversations around ultimate beneficial ownership to help you have the right conversations and collect the most accurate information. Once you have on-boarded a customer and established that they have a UBO, you must verify the identities of all involved and continually screen them against global watchlists.

## 1. Educate customers about the benefit of sharing UBO information

To better serve your customers, educate them on the reasons why it will benefit them to share the details of all their holdings and corporations.



### Better long-term customer relationship management

Having this information will help your organisation learn about the true level of wealth and/or the wealth potential of the individual behind the corporation in order to build a stronger and more lasting relationship with the client for the long-term.



### Compliance

Your organisation needs this information for global regulation compliance.



### Obligation of the customer's organisation

Sharing this information helps to fulfil the reporting and compliance requirements of the customer's organisation.

## 2. Acquire key pieces of information from customers

Require customers to provide UBO information – advise the customer that identification and information provided will be stored securely.



### Names of natural persons

Require customers to provide the names of the natural persons that are UBO of legal persons or arrangements that own more than 10% of the shares of the entity.



### Purpose for layers of corporate names

Where there are other entities listed as UBO, inquire about the purpose of single and/or multiple layers of corporate names to better understand the reason for that protection.



### Changes in ownership

Require customers (especially those rated "high-risk") to provide updated information about changes in substantial ownership (following jurisdictional percentage requirements – i.e. 25%, 10%, etc.) whenever there is a change in ownership and at least annually.



### Certificates of ownership

Require customers to provide certificates of ownership as evidence of entitlement and retain said certificates securely.

## 3. Action steps after receiving customer information



### Corroboration

Corroborate the information provided by the customer with outside sources besides business formation documents and adverse media searches.



### Bookmark corporate registries

For expedited access, bookmark online pages for corporate registries provided by government agencies in order to corroborate information provided by customers.



### Advanced screening

Consider using advanced tools that incorporate government filings, public records and database solutions used to screen against special watchlists, and verify if names provided by customers appear on PEP lists or other enforcement lists (these tools may provide affiliated names and adverse media references associated with a UBO).



### Stay up-to-date

Create a plan to periodically review and update the customer profile.



### Continual monitoring

Continue to monitor for unusual transaction activity, new KYC information (change in occupation), and perform on-going adverse media searches.



### Outsource intelligence services

On more difficult cases of UBO identification, consider outsourcing intelligence services that can provide enhanced due diligence information that is not publicly available.

### For more information

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