

Company director checks

A checklist for compliance professionals

1

Gather required information

- Obtain the full legal name and registration number of the company
- Collect any relevant documentation related to the company's ownership
- Other relevant details: Note down any additional information you have on the director, such as their date of birth, nationality, or known aliases

2

Identify registered shareholders and directors

- Gather information about the registered shareholders and directors of the company

3

Identify Ultimate Beneficial Owner(s)

- Determine who the Ultimate Beneficial Owner(s) are – the individuals who ultimately own or control a significant portion of the company, usually with a certain percentage of ownership (e.g. 25% or more)

4

Verify identity and background

- Validate the director and UBO identities through official documents like passports, ID cards, or driving licences
- Conduct a background check to identify any adverse or criminal records associated with key shareholders and directors

5

Check for PEPs and sanctions

- Screen the UBOs and directors against Politically Exposed Persons (PEPs) lists and international sanctions lists to identify any high-risk individuals or entities

6

Assess UBO background and reputation

- Conduct research on the ultimate beneficial owner(s) to assess their reputation, business history, and any potential harmful media coverage.

7

Analyse source of wealth

- Understand the source of wealth of the director/UBO(s)
- Look for any indications of illicit activities or suspicious financial transactions

8

Review corporate structure

- Look at the company's organisational chart to understand its ownership and control relationships

9

Examine director/UBOs affiliations or associations

- Identify any known connections to illicit or high-risk activities, or whether they hold senior positions in other companies, particularly those in high-risk jurisdictions

10

Check for ownership disclosure requirements

- Verify if the company is compliant with any beneficial ownership disclosure requirements in the relevant jurisdiction

11

Evaluate potential risks

- Based on the check results, assess any potential risks associated with the business relationship.
- Consider risks related to money laundering, terrorist financing, reputational damage, or regulatory compliance.

12

Document the findings

- Keep thorough and well-documented records of the process and results for audit and compliance purposes

13

Ongoing monitoring

- Remember that information on people can change over time, so consider implementing a system for ongoing monitoring to stay updated on any changes in ownership or control that may affect their risk profile

14

Scheduled reviews and remediation

- Review and update data held on directors and UBOs at regular intervals based on their risk profile in light of any new information, regulation changes, or emerging risks they hold senior positions in other companies, particularly those in high-risk jurisdictions

Note: This checklist provides general guidance for conducting an AML company director check. The specific steps and depth of investigation may vary depending on the jurisdiction, industry, and your specific firm's requirements.