



## **Account Documentation**

FAS Annual Conference Business Session  
September 10, 2004



### **Presentation Agenda – Account Documentation**

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- Legislation requiring various forms of documentation
- Summary of documentation requirements
- Business case for use of document management software
- Demonstration of account document management software





## Account Documentation – Legislation

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- Legislation requiring the collection of various forms of documentation:
  - ➔ Know your client and beneficial ownership requirements set out in IDA Regulation 1300
  - ➔ Information required for compliance with the federal Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations
  - ➔ Citizenship information required under U.S. withholding tax legislation requirements to determine tax treatment of accounts of U.S. citizens and account with U.S. security positions of all other customers



## Account Documentation – Legislation

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- Legislation requiring the collection of various forms of documentation:
  - ➔ Social Insurance Number to perform reporting required under federal Income Tax Act
  - ➔ Shareholder Communication Instructions as required under NI 54-101
  - ➔ Authorization to provide information to third parties as required to be obtained under applicable federal or provincial privacy legislation





## Documentation Requirements

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- Summary of documentation requirements
  - ➔ different documentation required for different account types
    - Individual accounts
    - Trust accounts
    - Other legal entity accounts
  - ➔ different verification approaches to be used when accounts are opened in person versus when accounts are opened via phone or e-mail



## Documentation Requirements – Individual

(includes individual, joint, oral trust and investment club accounts)

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<b>Legal / regulatory requirements</b>	<b>Anti money laundering requirements</b>	<b>U.S. withholding tax requirements</b>
<ul style="list-style-type: none"><li>▪ Know your client (NCAF - IDA Form 2)<ul style="list-style-type: none"><li>➢ Date of birth</li><li>➢ Tax ID</li><li>➢ Citizenship</li><li>➢ Employer</li><li>➢ Occupation</li><li>➢ Banking information</li><li>➢ Investment objectives</li></ul></li><li>▪ Account agreement</li><li>▪ Account application (trust)</li></ul>	<ul style="list-style-type: none"><li>▪ Date of birth</li><li>▪ Banking information</li><li>▪ Original signature(s)</li><li>▪ Driver's licence</li><li>▪ Passport</li><li>▪ Gov't health insurance card except for Ont., Man. and PEI</li><li>▪ Canadian citizenship card</li><li>▪ Age of majority card</li><li>▪ Birth certificate</li><li>▪ If client not physically present and photocopy is provided, a cheque drawn on an acceptable Canadian financial institution</li></ul>	<ul style="list-style-type: none"><li>▪ Tax ID</li><li>▪ Citizenship</li><li>▪ Driver's licence</li><li>▪ Passport</li><li>▪ Gov't health insurance card except for Ont., Man. and PEI</li><li>▪ Canadian citizenship card</li><li>▪ Form W8-BEN</li><li>▪ Form W9 if US person</li><li>▪ If client not physically present and photocopy is provided, a cheque drawn on an acceptable Canadian financial institution</li></ul>





## Documentation Requirements – Trust

(includes grantor, simple, complex, estate, public trustee and committee accounts)

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### Legal / regulatory requirements

- Know your client (NCAF - IDA Form 2)
  - Date of birth
  - Tax ID
  - Citizenship
  - Employer
  - Occupation
  - Banking information
  - Investment objectives
- Account application (trust)
- Will
- Death certificate
- Regulation 1300.1 where applicable

### Anti money laundering requirements

- Date of birth
- Written trust agreement
- Will
- Notarized certificate of appointment of estate trustee (Ontario)
- Estate documents/probate
- Court ordered documents
- Banking information
- Original signature(s)
- Driver's licence
- Passport
- Gov't health insurance card except for Ont., Man. and PEI
- Canadian citizenship card
- Age of majority card
- Birth certificate
- If client not physically present and photocopy is provided, a cheque drawn on an acceptable Canadian financial institution

### U.S. withholding tax requirements

- Tax ID
- Citizenship
- Driver's licence
- Passport
- Gov't health insurance card except for Ont., Man. and PEI
- Canadian citizenship card
- Form W8-BEN
- Form W9 if US person
- If client not physically present and photocopy is provided, a cheque drawn on an acceptable Canadian financial institution



## Documentation Requirements – Legal Entity

(includes partnership, AI/AC, non AI/AC, personal holding company, public corporation, tax exempt organization, hospital, municipality, school board and social organization accounts)

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### Legal / regulatory requirements

- Know your client (NCAF - IDA Form 2)
  - Date of birth
  - Tax ID
  - Citizenship
  - Employer
  - Occupation
  - Banking information
  - Investment objectives
- Corporate trading authorization
- Personal guarantee
- Partnership account agreement

### Anti money laundering requirements

- Date of birth
- Articles of incorporation
- Certificate of corporate status
- Corporate resolution
- Partner registration certificate
- Banking information
- Original signature(s)
- Driver's licence
- Passport
- Gov't health insurance card except for Ont., Man. and PEI
- Canadian citizenship card
- Age of majority card
- Birth certificate
- If client not physically present and photocopy is provided, a cheque drawn on an acceptable Canadian financial institution

### U.S. withholding tax requirements

- Tax ID
- Citizenship
- Confirm on IDA list of AI/ACs
- Audited financial statements
- Official letter noting location/residence of entity
- Not for profit business number
- Unique tax registration # for entities individually registered with CCRA
- Treaty statement
- Driver's licence
- Passport
- Gov't health insurance card except for Ont., Man. and PEI
- Canadian citizenship card
- Form W8-BEN, W8-EXP or W8-IMY
- Form W9 if US person
- If client not physically present and photocopy is provided, a cheque drawn on an acceptable Canadian financial institution





## Documentation Requirements

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- The previous three slides serve to demonstrate the increasing complexity of client information collection and identity verification
- Is there a need to develop guidance in this area?



## Business case for document management software

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- Enables greater control over and more efficient access to customer information
- Storing information in electronic form can facilitate automated compliance reviews (i.e., automated comparison of the risk profile of a clients investment portfolio to their stated investment objectives)
- Necessary to transition to electronic account information recordkeeping





## Demonstration of account document management software

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- Laurent Bensemana – Ndex Systems

