

## Record Keeping

**Countries should ensure  
Financial Institutions (FIs):**

- > Take reasonable measures to determine whether a customer or beneficial owner (BO) is a politically exposed person (PEP), namely:
  - ✓ a domestic PEP;
  - ✓ a foreign PEP (Foreign PEP); or
  - ✓ a person who is or has been entrusted with a prominent function by an international organisation.
- > Where a customer or BO of the customer is a Foreign PEP, in addition to normal CDD measures performed:
  - ✓ have appropriate risk management systems to determine whether the customer or BO is a PEP;
  - ✓ obtain senior management approval for establishing or continuing the business relationship;

- ✓ take measures to identify source of wealth and funds; and
  - ✓ conduct enhanced ongoing monitoring of the business relationship.
- Extend PEP CDD and EDD requirements to family members or close associates of PEPs.

FIs must also determine whether beneficiaries of life insurance policies are PEPs – this should be done at time of payout. FIs must: (a) inform senior management before payout; and (b) conduct enhanced scrutiny of the whole business relationship with the policyholder.