



Source of Wealth and Funds Guidance Note

In order to act for you, we are required by law to understand the purpose and intended nature of the proposed business relationship.

In gaining this understanding we need to establish the source of your wealth and the source of the funds you are proposing to settle into a trust or invest in a company. Under certain circumstances we are required by Regulations to take “reasonable measures” to establish your source of funds and source of wealth so we may have to ask you for some form of corroboration of the information you are to provide us with. This information also allows us to better understand your needs and motives in utilising our services to enable us to provide you with suitable services.

The following guidance has been produced to assist you in completing the application form. It should not be viewed as prescriptive or comprehensive:

Source of Wealth

Source of wealth is often distinct from the source of funds and describes the activities which have generated the total net worth of a person, i.e. those activities which have generated your net assets and property. This is typically your employment and perhaps several other events/activities and we should understand both the geographical locations involved and how the activities link together.

Source of Funds

Source of funds refers to the activity which generates the specific funds you are settling into a trust or investing in a company. For example, your source of wealth might be farming or property development, but the source of funds is the sale of a specific asset or piece of property. In some instances, the source of funds and the source of wealth could be the same.

Here are some examples of the sort of information you might provide to explain your source of funds and/or source of wealth:

Inheritance

- From whom did you inherit?
- How much did you inherit and when?
- How did they generate their wealth?

A curriculum vitae can prove to be a useful document as it allows us to understand an individual’s career path. We are looking to understand the following aspects of that individual’s employment.

If self-employed:

What is/was the business? When was it formed? How was business started? How did the individuals develop the skills/knowledge/contacts required to start the business successfully?

If employed:

What is/was the employers name(s) and nature of business? What positions do you/have you held? How long have you been/were you employed there?

Gifts

- From whom did you receive it?
- How much were you given and when?
- Why did they give it to you? How did they generate the funds?

Property sale

- How and when was the property initially acquired? How much were the sale proceeds?
- What was the address(es) of property(ies)? When was it sold?

Maturing investments

- What sort of investment was it?
- How long have you had the investment and how was it initially acquired?

Please also be aware that we are increasingly asked to provide banks and other services providers with an estimate of the net worth of our clients. This is to allow them to ensure that their risk profiling is as complete as possible.

Please contact a member of our team if you have any questions.

<https://oak.group/contact-us/>