

# Politically Exposed Persons (PEPs)

An Avallone memo

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## Introduction

Identifying Politically Exposed Persons (PEPs) is a key component of any due diligence process with the purpose of mitigating financial crime risks. This memo contains some practical insights into handling the PEP process and the PEP risk.

## Purpose and Scope

The purpose of this document is to help companies understand the concept of Political Exposed Persons (PEPs) and how to mitigate the risk of PEPs.

There exist many comprehensive and very useful guides for PEP handling. This document is thought of as a concise document with useful insight and tools that can be helpful when building a PEP process into a company's counterparty due diligence process.

## Definition - Financial Crime terms

### Financial Crime

Financial Crime is defined as crimes related to Money Laundering (ML), Terrorist Financing (TF), sanctions breaches, tax evasion, and bribery & corruption.

### Counterparty

Counterparty means a legal entity or private individual that a company is involved with. Examples of a counterparty include but are not limited to a customer, supplier, employee, investor, etc. Examples of involvement include but are not limited to a financial transaction, contract, agreement, or trade.

### Counterparty due diligence (CDD)

Counterparty due diligence (CDD) is the process of verifying a customer's identity, assessing the risk of doing business with them, and then monitoring the relationship. The goals of CDD are to establish trust and prevent Financial Crime.

The CDD process is defined as the full process from onboarding, collecting and updating KYC, risk scoring, screening, monitoring, ongoing due diligence, adding EDD when needed, etc.

### Enhanced due diligence (EDD)

Enhanced due diligence (EDD) goes beyond verifying someone's identity to include a wider risk assessment, which must occur when an individual is flagged as representing a high risk to the company. Risk factors can vary from a customer being identified as a politically exposed person (PEP) to perhaps holding a passport from a sanctioned country.

### Ongoing due diligence (ODD)

Ongoing due diligence (ODD) is the process of keeping data from the CDD and EDD process updated. ODD can be done based on triggers where new information and behavior arise and on a frequent basis, e.g., every year.

## Know Your Customer (KYC)

Know Your Customer (KYC) is defined as part of the due diligence process in which data are collected and used for identification and understanding of the customer.

The KYC process is defined as the data collection process, review, and approval of collected data, as well as the collection of additional data when needed.

### KYC data

KYC data are the information and documentation collected from the counterparties using the Avallone platform.

## Definition – Politically Exposed Persons (PEPs)

A Politically Exposed Person (PEP) is an individual who holds or has previously held a high political profile or a prominent public function, as well as their family members or close associates.

There is no single, globally agreed definition of a PEP. In formulating this guidance, consideration was given to the standards issued by internationally recognized bodies. Local or regional regulations may differ with respect to particular elements of the PEP definition.<sup>1</sup> However, the definition of a PEP is important since it is crucial for understanding how to identify a PEP. The FATF definition of a PEP is (which does not cover middle-ranking or more junior individuals).<sup>2</sup>

### Foreign PEPs

Individuals who are or have been entrusted with prominent public functions by a foreign country, for example, Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials.

### Domestic PEPs

Individuals who are or have been entrusted domestically with prominent public functions, for example, Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials.

### International organization PEPs

Persons who are or have been entrusted with a prominent function by an international organization refer to members of senior management or individuals who have been entrusted with equivalent functions, i.e., directors, deputy directors, and members of the board or equivalent functions.

Examples of International organizations are the United Nation (UN), the European Union (EU), the World Trade Organization (WTO), the International Monetary Fund (IMF), the World Bank Group, the World Health Organization (WHO), and the North Atlantic Treaty Organisation (NATO).

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<sup>1</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 2

<sup>2</sup> FATF Guidance Politically Exposed Persons (Recommendation 12 and 22) (June 2013), page 4 and 5.

## Family members

Individuals who are related to a PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership. Examples of a PEP's direct family members, their spouse or a person considered to be equivalent to a spouse, their children, and their spouses, parents, and the siblings of the PEP.<sup>3</sup>

For family members, this includes such relevant factors as the influence that particular types of family members generally have and how broad the circle of close family members and dependents tends to be. For example, in some cultures, the number of family members who are considered to be close or who have influence may be quite small (e.g., parents, siblings, spouses/partners, and children). In other cultures, grandparents and grandchildren might also be included, while in others, the circle of family members may be broader and extend to cousins or even clans.<sup>4</sup>

## Close associates

Individuals who are closely connected to a PEP, either socially or professionally. Examples of Close Associate: will include a PEP's widely- and publicly-known close business colleagues or personal advisors, in particular persons acting in a financial fiduciary capacity.<sup>5</sup>

For close associates, examples include the following types of relationships: (known) (sexual) partners outside the family unit (e.g., girlfriends, boyfriends, mistresses); prominent members of the same political party, civil organization, labor or employee union as the PEP; business partners or associates, especially those that share (beneficial) ownership of legal entities with the PEP, or who are otherwise connected (e.g., through joint membership of a company board). In the case of personal relationships, the social, economic, and cultural context may also play a role in determining how close those relationships generally are.<sup>6</sup>

## Abbreviation for family members and close associates

To distinguish between PEPs based on their official position and PEPs linked through family or associates, an alternative abbreviation is often employed. Among the commonly utilized versions, "RCAs" appears to be the most prevalent.

## Close Associates and Immediate Family Members of PEPs (CIPs)

CIPs are individuals who are closely related to or associated with PEPs. This category includes the immediate family members (spouse, children, parents) and close associates (business partners, associates, close friends) of PEPs.

## Relatives and Close Associates (RCAs)

RCAs are individuals who are closely associated with PEPs, such as their immediate family members (spouse, children, parents) and close associates (business partners, associates, close friends).

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<sup>3</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 4

<sup>4</sup> FATF Guidance Politically Exposed Persons (Recommendation 12 and 22) (June 2013), page 12 (48)

<sup>5</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 4

<sup>6</sup> FATF Guidance Politically Exposed Persons (Recommendation 12 and 22) (June 2013), page 12 (49)

### **Definition - PEP classes in ComplyAdvantages screening lists**

The ComplyAdvantage PEP Definition and ranking is based on the FATF version.

As several regulations and best practice guidelines include PEPs, not only the entities currently holding relevant positions but also entities that have stepped out of office, ComplyAdvantage also takes a similar approach. Therefore, the ComplyAdvantage database also includes PEP entities that have held one of the above positions but do not hold one anymore.

In addition, family members and close associates of PEPs are considered PEPs and can be risk-ranked as described below.

When using the Avallone platform for PEP screening, companies can select which PEP classes they want to screen for.

#### **PEP Class 1**

Heads of state.

Members of the national executive.

Members of the national legislatures.

Senior officials of military and law enforcement.

Senior officials of national agencies.

Board members of central banks.

Senior judiciary officials (national level).

Top-ranking officials of political parties.

#### **PEP Class 2**

Board members of International Organizations (HIOs) and International Sports Federations.

Ambassadors, high commissioners, and other top diplomatic positions.

Members of the regional executive.

Members of the regional legislatures.

Senior judiciary officials (regional level).

#### **PEP Class 3**

Senior management and board of directors of state-owned businesses and organizations.

#### **PEP Class 4**

Mayors and members of local government (sub-regional level).

#### **Family members and close associates (RCAs/CIPs)**

ComplyAdvantage considers the following categories of family members relevant from a PEP screening perspective (but not limited to):

- Spouse/ partner (including a person who is considered by his national law as equivalent to a spouse)
- Siblings/ Half-siblings
- Children/ Step-children and their spouses and partners

- Parents/ Step-parents

If an entity belongs to any of the above categories, it will be ranked at the same level as the PEP associated with it unless the family member in question is a PEP in his/her own right. In such cases, the political position held by the spouse will determine his or her classification

### Risk assessment of PEPs

PEP status is always a risk factor that companies must assess in a due diligence process. The aim is to identify risk factors that could have an impact on the relationship with the PEP, on top of that, companies have to mitigate the risk as a part of the due diligence process.

It is important to say that a professional relationship with a PEP in itself is not a problem, and companies should not reject relationships with PEPs per default. The focus should be on identifying the risk factors and mitigating them.

### Risk factors

Based on a company's business model, the risk of PEP differs. Below are some examples of high-level PEP risk factors. Companies should always assess what is relevant to their business model.

**Money Laundering:** PEPs may use their political influence and access to financial systems to launder money obtained through corruption, embezzlement, or other illicit activities. They may engage in complex financial transactions to obscure the origin of funds.

**Corruption:** PEPs can be susceptible to or actively involved in corrupt practices, such as demanding bribes, kickbacks, or favors in exchange for political influence or government contracts. This corruption can have detrimental effects on public funds and economic development.

**Bribery:** PEPs may be targeted by individuals or entities seeking to gain favorable treatment or contracts. They might accept bribes in exchange for political favors, compromising the integrity of the government or organization they represent.

**Political Manipulation:** PEPs can use their influence to manipulate regulations, policies, or legislation to benefit themselves, their associates, or their business interests, potentially harming the public interest.

**Terrorist Financing:** In some cases, PEPs or their associates may become involved in financing terrorist organizations, either directly or indirectly, by channeling funds through legitimate companies.

**Reputation Risk:** Companies that do business with PEPs face reputational risks if their relationship with the PEP is later linked to illegal activities. These risks can damage the company's credibility and might also result in regulatory penalties.

### Risk scoring

Risk scoring is a crucial part of any AML/CTF due diligence process. The main purpose of risk scoring is to allow companies to apply a risk-based approach (RBA) and thereby identify counterparties where extra

measures in the counterparty due diligence process are needed. The PEP status of a private individual is a risk factor and must always be a part of the risk scoring.

Like any other risk assessment in an AML/CTF setup, companies must apply a risk-based approach (RBA) when assessing the risk of PEPs. However, companies must also consider best practices and guidance from, e.g., FATF.

According to FATF, "**Foreign PEPs** are always considered high risk and require the application of enhanced due diligence (EDD) measures."<sup>7</sup>

Typically, foreign PEPs may pose a higher risk compared to domestic PEPs, however this may not always be the case.<sup>8</sup> Therefore, it is always important to make an individual risk assessment of non-foreign PEPs. For most companies, identifying the risk would require extra due diligence measures, typically in an EDD process.

Companies should also consider that even if a business relationship with a domestic/international obligation PEP is not initially deemed to be high risk, it may evolve into a higher-risk business relationship at a later stage.<sup>9</sup>

### Best Practice for a PEP Risk Mitigation Framework

The key components in a PEP risk mitigation framework are to:<sup>10</sup>

- Have appropriate risk-management systems to determine whether the customer (counterparty) or the beneficial owner(s) is a politically exposed person.
- Obtain senior management approval for establishing (or continuing, for existing customers/counterparties) such business relationships.
- Take reasonable measures to establish the source of wealth and source of funds.
- Conduct enhanced ongoing monitoring of the business relationship.

The FATF recommendations are focused on Financial institutions. However, similar measures would be expected in any PEP risk mitigation framework but should be tailored to the company's business model and operation. Below there is a description of how to understand the key components and the best practice.

Determine whether a private individual is a politically exposed person (PEP)

As a part of the counterparty due diligence (CDD) process and ongoing due diligence (ODD), companies must identify all relevant private individuals, e.g., the beneficial owners. Companies must determine if any of the private individuals is a politically exposed person (PEP). Identifying a PEP is not necessarily an easy task. Still, it is considered good practice to use:

1. Self-declaration: As a part of the due diligence process, companies should ask the counterparty about the private individual's PEP status.

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<sup>7</sup> FATF Guidance Politically Exposed Persons (Recommendation 12 and 22) (June 2013), page 7 (23)

<sup>8</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 5

<sup>9</sup> FATF Guidance Politically Exposed Persons (Recommendation 12 and 22) (June 2013), page 9 (31)

<sup>10</sup> The FATF Recommendations, page 16 recommendation 12

2. PEP screening: As a part of the due diligence process, companies should use an acknowledged screening tool to screen all private individuals against well established PEP lists.

Self-declaration will allow counterparties to inform companies about PEP status early in the due diligence process and for companies to collect relevant information for the risk assessment, thereby limiting the due diligence steps that require interactions with the counterparty.

PEP screening ensures that companies not only rely on self-declaration but also increase the likelihood of identifying any PEP status for private individuals.

#### Obtain senior management approval

PEP relationships should be approved by senior management who understand both the financial crime risk and their responsibility within the financial crime prevention environment. The level of seniority should be directly proportionate to the nature of the company and the financial crime risk posed by the PEP.<sup>11</sup>

It is bad practice to place the senior management approval on a too low a level, e.g., middle management or at a specialist level.

Take reasonable measures to establish the source of wealth (SoW) and source of funds (SoF)  
When PEPs are considered high-risk, extra due diligence measures must be taken, one of the key measures is establishing the PEP's source of wealth (SoW) and source of funds (SoF).

It needs to be assessed if the requirements of SoW and SoF would make sense for the type of relationship that they are between the company and the PEP. The purpose of the requirement is to ensure that the relationship is not funded with illegal funds, e.g., from corruption or bribery. Therefore, the company must assess if the size of the business seems reasonable based on the information of SoW and SoF.

**Source of wealth (SoW)** refers to the origin of the PEP's entire body of wealth (i.e., total assets). This information will usually give an indication as to the volume of wealth the customer would be expected to have and a picture of how the PEP acquired such wealth. Although companies may not have specific information about assets not deposited or processed by them, it may be possible to gather general information from commercial databases or other open sources.<sup>12</sup>

**Source of funds (SoF)** refers to the origin of the particular funds or other assets which are the subject of the business relationship between the PEP and the company (e.g., the amounts being invested or wired as part of the business relationship). Normally, it will be easier to obtain this information, but it should not simply be limited to knowing from which financial institution it may have been transferred. The information obtained should be substantive and establish a provenance or reason for having been acquired.<sup>13</sup>

#### Conduct enhanced ongoing monitoring of the business relationship

For financial institutions, the enhanced monitoring will be a natural part of the established transaction monitoring and other monitoring programmes. For non-financial institutions (companies), it would be good

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<sup>11</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 8

<sup>12</sup> FATF Guidance Politically Exposed Persons (Recommendation 12 and 22) (June 2013), page 20 (87)

<sup>13</sup> FATF Guidance Politically Exposed Persons (Recommendation 12 and 22) (June 2013), page 20 (88)

practice to ensure extra focus on relationships with private individuals there are PEPs. Here are some examples of extra measures:

- Companies should do more frequently ongoing due diligence (ODD) than for normal low-risk counterparties. E.g., update information every year.
- Ongoing screening monitoring of adverse media with daily alerts if any new matches.

### Counterparty and Enhance Due Diligence for PEPs

No matter if the PEP is considered high-risk or not, extra due diligence measures are needed when a PEP is identified. If the counterparty due diligence identifies a PEP as a high-risk counterparty, additional mitigating steps must be enforced, this process is called Enhanced Due Diligence (EDD). In an enhanced due diligence process, additional information and documentation are required.

The level of CDD and EDD should always be done based on a risk-based approach (RBA) and be reasonable when taking the company's business model and the nature of the relationship into account.

These are some of the additional steps companies could take for CDD & EDD of PEPs:

- Understanding and documenting the length of time, the title or position, and the country in which the PEP holds, or held, political exposure. If the individual customer is a close family member or close associate, the relationship of the person to the PEP must be documented.<sup>14</sup>
- Understanding and documenting the nature of the relationship.<sup>15</sup>
- Understanding and documenting the customer's source of funds and source of wealth (e.g., salary and compensation from official duties and wealth derived from other sources). Where the financial crime risks are high, or there are doubts as to the veracity of the information provided by the customer, companies should validate this information using independent and reliable sources. Companies may use internet and media searches to determine and/or validate this information, having considered the potential limitations of such sources.<sup>16</sup>
- Conduct Negative News/Adverse Media screening on the customer and evaluate any positive hits.<sup>17</sup>
- When the due diligence on an immediate family member or close associate of a PEP indicates that the source of funds originates from the PEP, then the company should determine and document the PEP's sources of funds and wealth. Negative News/Adverse Media Screening on the PEP who funds the account may assist in establishing whether the PEP has deliberately attempted to disguise their involvement in funding the account.<sup>18</sup>

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<sup>14</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 7

<sup>15</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 7

<sup>16</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 7

<sup>17</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 7

<sup>18</sup> Wolfsberg Guidance on Politically Exposed Persons (PEPs) 2017, page 8

## PEP Screening

In order to carry out effective and efficient screening, companies need:

- A robust counterparty due diligence process where information and documents of the counterparty and its related private individuals, e.g., beneficial owners and senior management, and related legal entities (e.g., legal entities between the counterparty and the indirect beneficial owners).
- An efficient and acknowledged screening tool. The screening tools should ensure that the screening is not only done on exact matches but also on close matches (using so-called fuzzy logic screening). This is to ensure that, e.g., names that are spelled incorrectly will be matched.
- An acknowledged PEP list provider. This is to ensure that the used PEP listed are of high quality.
- Ongoing (daily) monitoring of counterparties on updated PEP lists. Daily alerts should be triggered if a potential match is identified in the monitoring

Check Appendix 3 to get more insight into how to handle potential matches in the screening process.

## Do you want to know more?

There exist many comprehensive and very useful guides for PEP handling. Here are some examples that can be recommended:

- FATF Guidance PEP Recommendation 12 and 22 (June 2013)
- Wolfsberg Guidance on PEPs (May 2017)
- FCA - FG 17/6 The treatment of politically exposed persons for anti-money laundering purposes (June/2017)
- World Bank - Using Asset Disclosure for Identifying Politically Exposed Persons

## Appendix 1: Create PEP questions in a questionnaire

### PEP questions for due diligence questionnaires

As a part of an AML/CTF due diligence process, companies should ask the counterparty about the private individual's PEP status (self-declaration). Below are a few suggestions on how PEP questions could be addressed in a due diligence questionnaire. The suggestions do not cover the EDD part of the questions.

#### Minimal questions

The PEP questions can be two simple questions, which makes the questionnaire simple to create and easy for the counterparty to understand.

#### Q1 (Answer Yes or No)

"Is the individual a politically exposed person ("PEP"), i.e., currently or previously holding/held a high-level political position or high state officer, or are you a close family member or a close associate of such person?"

#### Q2 (Write the answer)

"If yes, If yes, please specify title, country, reason, when, etc."

#### Extended questions

The PEP questions can be built in a way that helps the company collect all the relevant information based on the answers from the counterparty.

#### Q1(Answer Yes or No)

"Is the individual a politically exposed person ("PEP"), i.e., currently or previously holding/held a high-level political position or high state officer, or are you a close family member or a close associate of such person?"

#### Q2 (select one answer)

If yes:

Are you personally a PEP, or do you have a relative who is PEP?

- I am personally a PEP
- I have a family member who is a PEP
- I have a close associate who is a PEP

#### Q3/A (select one answer)

If, I am personally a PEP

I am or have been:

- Head of state or head of government, minister or deputy minister or assistant minister
- Member of a parliament
- Judge in a higher court or constitutional court or other legal organs at high level, the rulings of which can only be appealed against in exceptional cases
- High official at an audit authority or a member of the controlling organ of a central bank
- Ambassador, head of embassy or mission or high-ranking officer in the armed forces

- Member of the administration, management, or supervisory body of a government-controlled company
- Important official and a member of the government body of a political party
- Director, deputy director, or member of the board or equivalent function of an international organization

**Q3/B** (add information)

If, I am personally a PEP

- My title
- Country/international organ
- My assignment began on
- My assignment ended on

**Q3C** (Write the answer)

If, I am personally a PEP

Describe your position and how it can impact your business.

**Q4A** (select one answer)

If, I have a family member who is a PEP or I have a close associate who is a PEP

My relationship is:

- Spouse
- Partner who, according to national law, is the equivalent of a spouse
- Son or daughter, or spouse or partner of son or daughter
- Parents
- Brothers and sisters
- Other family relation
- Close associates

**Q4B** (add information)

If, I have a family member who is a PEP or I have a close associate who is a PEP

- Full name of the PEP
- Title of the PEP
- The country or international organ of the PEP

**Q4C** (Write the answer)

If, I have a family member who is a PEP or I have a close associate who is a PEP

Describe the position of the PEP and if it could have an impact on your business.

**Documentation**

It is recommended that the company require documentation for the PEP status.

## Appendix 2: Talking paper for counterparty interaction about PEP status

### **Are you a politically Exposed Person (PEP)?**

We're looking to identify Politically Exposed Persons (PEPs) – individuals who hold influential public positions.

PEPs are individuals in prominent public roles, like government officials or executives in international organizations. This helps ensure transparency in financial activities. Are you involved in such positions?

### **Do you have any immediate family members who are Politically Exposed Persons (PEPs)?**

PEPs are individuals with significant public roles. We ask about your family connections to understand any potential influence on financial activities. Are any of your close family members in such positions?

### **Do you have any close associates who are Politically Exposed Persons (PEPs)?**

PEPs are individuals in prominent public roles, like government officials or executives in international organizations. This helps ensure transparency in financial activities.

### **What is the reason for your PEP status?**

PEP status is attributed to individuals in influential public roles. This designation helps maintain transparency in financial activities. Could you share the background that has resulted in your PEP status? This assists us in understanding the context better.

### **Can you assist us in gathering documentation related to your Politically Exposed Person (PEP) role?**

As part of our commitment to transparency, we may require documentation highlighting your involvement in significant public roles. This could include official government appointments, organizational affiliations, or positions in international bodies. Examples of helpful documentation might include:

- Government appointment letters.
- Organization membership confirmations.
- Statements of service from international organizations.

These documents help us establish a comprehensive understanding of your PEP status and ensure accuracy in our records. Your cooperation is greatly appreciated.

### **Does your PEP status impact your influence on the operations of the business you are engaged in?**

Understanding how your PEP status might relate to your business activities helps us ensure transparency and address any potential conflicts of interest. Please provide insights into this aspect to help us better comprehend your situation.

### Appendix 3: How to handle a potential match in PEP screening (using Avallone & ComplyAdvantage)

The PEP screening process in Avallone and ComplyAdvantage (CA) consists of:

- Initiation of screening;
- Reviewing and investigating information on generated potential matches and, if needed, searching for additional information from external sources;
- Documenting results of the investigation and based on it, determining match status (false positive/true positive/unknown);
- Finalizing the match by adding a comment and selecting the appropriate status;
- Finalizing the case.

#### Initiate the screening process

Once the screening process is initiated in the Avallone platform, you will instantly get a response of the result after the ComplyAdvantages screening engine has screened against sanction lists, adverse media, as well as PEP and other lists. If the result is a potential match, you can link to ComplyAdvante, which presents its possible match as cards with information about where and why a match was generated, country, and, if available, date of birth as well as match status, which by default is "Potential match" until a different status is selected.



The screenshot shows a match card for a person named Richard Harris. The card includes the following information:

- Person:** Richard Harris (with a link icon)
- Appears on:** PEPs 2 (indicated by a red box around the text)
- Relevance:** Equivalent name match
- Countries:** Canada
- Date of birth:** 06 September 1944 (Age 79)  
Other potential DOBs: 06 September 1944
- Whitelisted:** No (indicated by red text)
- Match status:** (indicated by a green bar)

### Access the available information

By clicking on the potential match, all information about it can be accessed. Firstly, key information about the individual is presented. In most cases, it is named, aka's - additional names and country. On a case-by-case basis, data, such as date of birth and link to a photo, may be available.

**Entity 'Richard Harris'**  
 Appears on PEP Class 1

Key data

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**Key information**

Images 

Full name **Richard Harris**

Entity type **person**

Also known as **M. Harris Richard, 迪克·哈里斯, ديك هاريس, Richard Harris, Dick Harris**

Countries **Canada**

Date of birth **06 September 1944 (Age 79)**  
 Other potential DOBs: 06 September 1944

Below, additional information can be found about the match with more details, such as the position of PEP, start and end date, gender, etc., as well as relevant links.

Appears on

1 PEP position	Currently on
	<a href="#">ComplyAdvantage PEP Data</a>
Country	Canada
Original Country Text	Canada
Active Start Date	2011-06-02
Active End Date	2015-08-02
Date of Birth	1944-09-06
Gender	male
Picture URL	<a href="http://www.loq.parl.gc.ca/parlinfo/images/Picture.aspx?item=665a1cf9-fc98-45b7-a3bb-4a1ca3f8c25a">http://www.loq.parl.gc.ca/parlinfo/images/Picture.aspx?item=665a1cf9-fc98-45b7-a3bb-4a1ca3f8c25a</a>
Picture URL	<a href="http://www.parl.gc.ca/Parliamentarians/Images/OfficialMPPhotos/41/HarrisRichardM_CPC.jpg">http://www.parl.gc.ca/Parliamentarians/Images/OfficialMPPhotos/41/HarrisRichardM_CPC.jpg</a>
Chamber	House of Commons
Family Name	HARRIS
Given Name	Richard M.
Legislative Period	41st Canadian Parliament
Legislature	House of Commons
Political Party	Conservative
Political Region	British Columbia (Cariboo-Prince George)

**Review the potential match**

The next step is reviewing information about PEP and comparing it with details about the individual under review. In this process, your collected KYC data will be essential for an efficient review.

If information or links available in CA are insufficient to make a conclusion, research in external sources must be performed based on details about the PEP. It is important to note that sites such as Wikipedia/LinkedIn cannot be used as a sole source of proof and must be used in combination with other legitimate proof confirming information in the mentioned sites. All information that is used to make a conclusion must be documented (screenshots taken and saved).

Different factors - primary and secondary - can be used for comparison to determine the match status. Some examples of the most commonly used primary factors include different full names, dates of birth, or photo identification. Less common but possible options are different nationality/citizenship, sex/legal gender, or race. Secondary factors are address and occupation. To rule out the match, 1 primary or 2 secondary factors are used. Here are a few examples of rules for how certain factors are compared:

	Primary factors	
Person vs Person	Full name	<ul style="list-style-type: none"> <li>● E.g., Steve Smith vs Jason Smith - OK to release (not the same name)</li> <li>● E.g., Martin Lopez Diaz vs Martin Sergio Diaz - normally OK to release (not the same name)</li> <li>● E.g., Juan Navaro vs Juan Navaro Rodriguez - need to investigate (could be the same name)</li> <li>● E.g., Jim James Simmons vs Jim J. Simmons - extra proof needed (could be the same name)</li> </ul>
	Date of Birth/Deceased	<ul style="list-style-type: none"> <li>● Date of birth differs more than a year - OK to release (1995 vs 1996 and more)</li> <li>● The year of birth is equal with no month or day in CA (1996 vs 1996.12.5) - need to investigate further. If the same year and CA holds the full DOB (YYYY-MM-DD) of a match – evaluate and compare.</li> <li>● Another way - Find extra proof to release the match (name, citizenship, etc.)</li> <li>● Matching person is deceased - OK to release.</li> </ul>

**Conclusion of the review**

Finalization consists of adding a short comment stating the match status and reasoning behind it, e.g., False positive - based on a different date of birth, and setting the appropriate status (false positive/true positive).

Status "Unknown" is used when all collected information is not sufficient to make a concrete conclusion if the match is a false positive or not. In that case, additional information may be requested about the individual under review.

After all potential matches are reviewed and resolved as described above, the overall case status has to be selected. If the matches are identified as False positive, the overall case status will be the same. In cases where a single match or a few are identified as true positives, the overall status becomes a true positive as well.

If the match status is true positive, additional measures have to be taken to assess and mitigate possible risks properly.