

جيمس بيري ومشاركوه

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LEGAL CONSULTANTS

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KYC – Do you Know Your Client?

What is KYC?

KYC or Know Your Client is in simple words a “client identification process” carried out by all Banks, Financial Institutions, Law Firms, Estate Agents etc.

How is the process carried out?

There are two methods used to obtain more information on the Client and verify the information provided. These methods are:

Client Identification Information

When a firm is approached by a prospective client on a new matter, the following information of the client is required to be obtained in order to identify who the client is:

- Individuals: Complete Identity and Address. This is usually obtained from the following documents:
 1. Passport or the Emirates Identity Card – if the individual is a resident in the UAE
 2. Recent Utility Bill (Proof of Residence) – which contains complete physical address, telephone number etc.
- Companies: Complete Identity of the business (which includes name of the business, registration number or license number, business activity etc.), Physical Address of the business and complete information about the Director(s) and Shareholder(s) of the business, including information about the individual instructing the firm. This is usually obtained from the following documents:
 1. Company Incorporation Documents- to include Company and/or trading name/registered or business address/date and place of incorporation or registration/corporate structure and ultimate beneficial owner details
 2. Copy of Passports of Individuals with Executive Authority- to include Names of all directors, partners, shareholders of company or business/persons with executive authority, information on company structure and respective shareholdings.

Certain exemptions apply to Public companies and additional information is usually required for Politically Exposed Persons.

Client Verification:

On receipt of the above information, the firm is required to (unless an exemption applies) to take reasonable steps to verify the identity of the client and the individuals authorized to instruct on behalf of a corporate client/company through reliable and independent sources.

Depending on the type of instructions, additional information on the identity of the client, the source of funds etc. may also be requested by the firm

Why is the KYC process carried out?

- Before taking a prospective client on board, it is important for the firm to identify and verify who their client is
- To enable the firm to understand and know the dealings of their client in order to carry out their instructions efficiently
- To comply with the relevant laws and regulatory guidelines.
- To prevent elements from using the firm for money laundering activities and to report any suspicious or illegal activities in accordance with applicable laws and regulations.