PART A – CLIENT ONBOARDING & RISK ASSESSMENT WORKFLOW

Referencing the CSS Risk Assessment Matrix (RAM).

1.New Client/ Engagement

- Potential new client approaches CSS or is referred.
- Engagement cannot commence until AML/ATF requirements are completed.

2. COMPLETE CLIENT IDENTIFICATION (KYC)

- Identify and verify the client using the appropriate verification form using Government-Issued Photo Identification Method or Dual Process Method.
- Perform PEP/HIO and sanctions screening for all applicable parties.

INDIVIDUAL CLIENT

Use:

- Appendix A – CSS Individual Indentification Verification

Collect and verify:

- Full legal name
- Date of birth
- Residential address
- Occupation / source of income
- Government-issued ID
- PEP/HIO status
- Sanctions screening results

ENTITY CLIENT

Use:

- Appendix B – CSS Entity & Beneficial Ownership Indentification Verification Form

Collect and verify:

- Legal business name and registration details
- Registered address and nature of business
- Directors / Officers
- Shareholders (25% or more) and control persons
- Beneficial owners (25% or more) and ownership structure
- PEP/HIO status (owners, directors, officers)
- Sanctions screening results

3. COMPLETE CLIENT ON-BOARDING RISK QUESTIONNAIRE

Use:

- Use Appendix C – CSS Client On-Boarding Risk Questionnaire

Assess risk factors including:

- Client type
- Ownership structure
- Geographic exposure
- Services requested
- Source of funds / wealth
- Other risk indicators

4. Calculate Risk Score

- Total the questionaire score based on assessed risk factors.
- This provides the preliminary risk rating (Low/Medium/High)

5. Review High-Risk Override Criteria

Use:

- Appendix E – CSS AML/ATF Risk Assessment, Due Diligence & Escalation Workflow

Purpose:

- Determine whether a High-Risk Override applies
- Override questionnaire score if required

Automatic High-Risk examples include:

- PEP/HIO
- Sanctions concerns
- Suspicious activity
- Refusal to provide information
- Opaque ownership structures
- Third-party concerns
- Unexplained source of funds
- U.S. resident tax clients
- Foreign clients with elevated risk factors
- Other high-risk indicators

N/A & ADVISORY ONLY

- Advisory-only engagement
- No funds movement
- No trust activity
- No significant risk indicators

Required Action

Advisory Only

- No CDD Required
- Trigger-event monitoring

LOW RISK

- No or minimal risk indicators
- Transparent ownership
- Canadian resident
- Standard services

Required Action

Standard KYC / CDD

- Standard Monitoring
- Review every 3 years or earlier if required.

MEDIUM RISK

- Some medium-risk indicators
- More complex ownership
- Cross-border elements
- Unclear or limited information

Required Action

Enhanced Review

- Additional Assessment
- Enhanced Monitoring
- Review every 2 years or earlier if required.

HIGH RISK

- High-risk indicators present
- High-Risk Override applies
- Elevated ML/TF risk
- Complex structures / jurisdictions

Required Action

Enhanced Due Diligence (EDD)

- Source of Funds Review
- Source of Wealth Review
- Ownership / Control Review
- CAMLO Review
- Enhanced Monitoring
- Review minimum annually or more frequently if required.

6. Commence Engagement

- Engagement may commence only after risk assessment and required due diligence are complete.
- Document all findings, forms, and decisions in the client file.

Key Documents Used in the Workflow

Appendix A
CSS Individual Identification Verification Form

Appendix B
CSS Entity & Beneficial Ownership Identification Verification Form

Appendix C
CSS Client On-Boarding Risk Questionnaire

Appendix D
CSS Monitoring Record

Appendix E
AML/ATF Risk Assessment, Due Diligence & Escalation Workflow

IMPORTANT: Risk classification is a CSS internal AML/ATF control. FINTRAC legal obligations are triggered only where CSS engages in or gives instructions for prescribed activities. Internal Medium or High Risk does not automatically mean a FINTRAC report is required.