

UNLOCK YOUR BANKING & PAYMENTS POTENTIAL WITH 4H AGENCY

The world is changing and businesses need to adapt and change with it. What was acceptable business practice five years, sometimes even one year ago, may no longer be commonplace or acceptable today. 4H Agency can look under the bonnet of the business and bring it into the realms of best practices.

In addition to a thriving business, these best practices are critical for the businesses' banking and payment counterparties. By adopting as many of these as possible the business is guaranteed to (i) unlock a greater number of providers that are willing to work with it (ii) faster onboarding with these providers and (iii) better pricing. Investment in the best practices always reaps severalfold returns. 4H Agency has created a summary of practices to be avoided and the best practices that should be strived for:

WHAT IS TO BE AVOIDED	WHAT IS TO BE DESIRED
Licences	
<ul style="list-style-type: none"> ▪ Operating without a licence; ▪ For business activities not to correspond the authorised permissions; ▪ Gray and black market operations. 	<ul style="list-style-type: none"> ▪ Local licences in countries of operations particularly in the European countries; ▪ Local licences in countries where offshore licence is proscribed.
Corporate Structure	
<ul style="list-style-type: none"> ▪ Offshore jurisdictions, jurisdictions on the sanctioned list, jurisdictions on the watch-list, jurisdictions with low ranking on the TI corruption index; ▪ Companies incorporated outside of Europe but with European operations; ▪ Multiple layers of ownership; ▪ Not clear organisational chart or structure. 	<ul style="list-style-type: none"> ▪ Clear corporate structure and organisation; ▪ Incorporation in the country / countries of operation; ▪ If not incorporated in country of operation, an explanation for the incorporation structure; ▪ Full set of corporate documents: Articles, Memorandum and Certificate of incorporation. Either in English or certified transactions into English; ▪ Clear and concise organisational chart of all the staff in the company.
Ownership Structure	
<ul style="list-style-type: none"> ▪ Nominee shareholders (corporate or individuals); ▪ Nominee directors; ▪ Many Powers of Attorney; ▪ Convoluted ownership structures or those that do not make sense; ▪ Owners with insufficient expertise or history in the industry; ▪ Politically Exposed Persons (PEP) or those resident in sanctioned countries; ▪ Frequently changing ownership structure. 	<ul style="list-style-type: none"> ▪ Clear and concise ownership structure; ▪ For the owners of a business to be able to explain and justify the raison d'être of the business and its existence.
Substance Requirements	
<ul style="list-style-type: none"> ▪ No or light substance in the country of incorporation; ▪ Resemblances to letter-box entities; ▪ Use of service companies with many companies at the same address. 	<ul style="list-style-type: none"> ▪ Feet on the ground in the jurisdiction of incorporation; ▪ Feet on the ground of registered address; ▪ Particularly important for the compliance and risk functions to be in jurisdiction of incorporation; ▪ Directors and UBOs to either be nationals or reside in the jurisdiction of incorporation.

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Policies and Procedures	
<ul style="list-style-type: none"> ▪ Insufficient or missing policies; ▪ Copied and pasted policies; ▪ Policies that do not correspond with the services rendered; ▪ Policies that do not correspond with the prevent laws and regulations; ▪ Policies that lack in substance or details; ▪ No department or individual owner of the policy; ▪ No scheduled and regular review of the policies. 	<p>To have a full set of policies such as</p> <ul style="list-style-type: none"> ▪ AML/CFT; ▪ KYC; ▪ Screening; ▪ Privacy; ▪ Cookies; ▪ Complaints; ▪ Client; ▪ Whistleblowing; ▪ Website terms. <p>Publish as many as possible openly on the website.</p>
Screening of Clients / KYC	
<ul style="list-style-type: none"> ▪ Having lax KYC practices; ▪ Waving through clients that should not be waved through; ▪ Not adhering to applicable data protection rules and regulations such as the GDPR; ▪ Poorly functioning database or storage for KYC details; ▪ No second or 4-eye review of the database containing KYC details; ▪ Regularly refreshing KYC practices and policies in accordance with prevalent regulations and requirements; ▪ Not terminating onboarded clients when it is discovered that they do not meet KYC requirements; ▪ Not reporting reportable or suspicious activities. 	<ul style="list-style-type: none"> ▪ Taking all the necessary KYC details of clients; ▪ Storing it in a secure and impenetrable database; ▪ For the database to be organised and up to date and for reports to be produced easily; ▪ Easy filtering for key details of the clients; ▪ If the client has further clients down the value chain, undertake KYC on the underlying clients; ▪ In-house or outsourced screening for PEP and sanctions.
Website	
<ul style="list-style-type: none"> ▪ Basic website; ▪ Website that doesn't adequately explain the services; ▪ Where explanation on website does not correspond with services actually rendered; ▪ Domain registered in a very different timeframe from company incorporation; ▪ Domain not belonging to a corporate or individual within the corporate group; ▪ Any misleading or obfuscating information on the website. 	<ul style="list-style-type: none"> ▪ Clear and transparent website with full details of operations and services offered; ▪ Blocking IP addresses from jurisdictions where there is no permission to operate; ▪ Full set of policies including: terms, privacy, cookies; ▪ Up to date contact details including: physical address, email and telephone number; ▪ Explanation of the corporate structure and jurisdiction of incorporation; ▪ Where the business is licenced include the licence numbers.