

ARTICLE · CHECKLIST · 4 MIN READ

Customer due diligence checklist

A practical CDD checklist your front-of-house team can actually follow.

Customer due diligence (CDD) is the foundation of every AML/CFT programme. Done well it adds minutes, not hours, to a deal. Done poorly it becomes the single biggest source of audit findings.

The three levels

Simplified CDD applies in narrowly-defined low-risk scenarios. Standard CDD is your default. Enhanced CDD applies to higher-risk customers ■ non-residents, complex structures, PEPs, or where source of funds is unclear.

What 'identify and verify' really means

Identifying a customer means collecting their information (name, DOB, address, entity registration). Verifying means obtaining independent evidence that the information is true ■ a photo ID for individuals, a register extract for companies, a trust deed for trusts. Sighting is not the same as retaining a copy.

Beneficial ownership

You must identify every natural person who ultimately owns or controls the customer. For layered structures this means walking the chain ■ not just naming the immediate shareholder. Use an org chart. Verify those individuals to the same standard as the customer.

Source of funds vs. source of wealth

Source of funds is where the money for this transaction came from. Source of wealth is how the customer became wealthy overall. For higher-risk customers you need both, evidenced ■ not just a self-declaration.

Download the checklist

We've published a printable version of this checklist you can take into your branch. See the [Resources page](#).

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