



## REFERENCE GUIDE

### Other Information

#### Third Party Determination/Nature of the Business Relationship

#### Third Party Determination

Peace Hills Trust must make a third party determination and keep related records in the following circumstances:

- **When Opening Accounts**

Whenever PHT opens an account PHT is required to keep a signature card or an account operating agreement, and must take reasonable measures to determine whether the account is to be used by or on behalf of a third party and record the customer response on the application form.

- **When performing a large cash transaction**

Whenever PHT is required to keep a large cash transaction record, PHT must take reasonable measures to determine whether the individual who is depositing the cash is acting on the instructions of a third party and record the customer response on the large cash transaction form.

PHT does not have to make a third party determination about an account if the account holder is another financial entity or a securities dealer engaged in dealing in securities in Canada.

When you are determining whether a “third party” is involved, it is not about who “owns” the money, but rather about who gives instructions to deal with the money. To determine who the third party is, the point to remember is whether the individual in front of you is acting on someone else’s instructions. If so, that someone else is the third party.

In making a third party determination when employees are acting on behalf of their employers and using their own personal accounts for such a purpose they are considered to be acting on behalf of a third party. The only exception to this is when an employee deposits cash to the employer’s account. In that case, the employee is not considered to be acting on behalf of a third party. This is only true if the account in which the employee deposits cash is a **business** account.

Required Forms:

Account Relationship - If a third party relationship is determined complete **Form #3003**

Large Cash Transaction – If a third party relationship is determined complete the third party section on **Form #5006**

#### Purpose and Intended Nature of the Business Relationship

When Peace Hills Trust enters into a business relationship with a client, we must keep a record of the purpose and intended nature of the business relationship.

Here is a short, non-exhaustive list of examples of purpose and intended nature of a business relationship:

Personal Relationships	Business Relationships
<ul style="list-style-type: none"> <li>▪ Full Financial Services</li> <li>▪ Personal Operating Account</li> <li>▪ Investment Account</li> <li>▪ Retirement Account</li> <li>▪ Lending Services</li> <li>▪ Conductor on a Business Account</li> <li>▪ Signer/Beneficial Owner on a Business Account</li> </ul>	<ul style="list-style-type: none"> <li>▪ Full Financial Services</li> <li>▪ Business Operating Account</li> <li>▪ Organization Operating Account</li> <li>▪ Investment Account</li> <li>▪ Lending Services</li> <li>▪ Trust Services</li> <li>▪ Investment Broker Nominee Account</li> </ul>

The information contained in this record must be reviewed on a periodic basis and kept up to date.