

# Appendix 1:

## Guidance Note: Definition of a Politically Exposed Person ('PEP')

### 1. Definition of a PEP

An individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, other than as a middle ranking or more junior official. The risk also extends to members of their immediate families and to known close associates.

The definition extends to local and foreign PEPs.

**Local PEP:** a person who is or has been entrusted with prominent public functions in the United Kingdom and any family members or close associates of that person, regardless of the location of those family members or close associates.

**Foreign PEP:** a person who is or has been entrusted with prominent public functions outside the United Kingdom and any family members or close associates of that person in regardless of the location of those family members or close associates.

### 2. Examples of those individuals entrusted with prominent public functions include\*\*:

- a. Heads of state, heads of government, ministers and deputy or assistant ministers;
- b. Member of parliament or similar legislative bodies;
- c. Members of the supreme courts, of constitutional courts or of other high level judicial bodies the decisions of which are not subject to further appeal, except in exceptional circumstances;
- d. Member of courts of auditors or of the boards of central banks;
- e. Ambassadors, charges d'affaire;
- f. High-ranking officers in the armed forces;
- g. Members of the administrative, management or supervisory boards of State-owned enterprises;
- h. Directors, deputy directors and members of the board or equivalent function of an international organisation.

*\*\*This also includes positions held at the community or international level.*

*The categories do not include middle-ranking or more junior officials.*

### 3. Immediate family members

- a. A spouse or partner of that individual
- b. Children of that individual and their spouses or partners; and parents of that person

### 4. Close associates

- a. An individual who is known to have joint beneficial ownership of a legal entity or legal arrangement, or any other close business relations, with a PEP; and
- b. An individual who has sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the benefit of a PEP.