

## Important Definitions

### **PEP (Politically Exposed Person)**

#### **1. Foreign PEP**

A foreign PEP is defined as an individual who holds or has held one of the following offices or positions in or on behalf of a foreign country:

- a. head of state or head of government;
- b. member of the executive council of government or member of a legislature;
- c. deputy minister or equivalent rank;
- d. ambassador, or attaché or counsellor of an ambassador;
- e. military officer with a rank of general or above;
- f. president of a state-owned company or a state-owned bank;
- g. head of a government agency;
- h. judge of a supreme court, constitutional court or other court of last resort; or
- i. leader or president of a political party represented in a legislature.

The individuals holding above positions in/on behalf of foreign countries are considered foreign PEPs regardless of citizenship, residence status, or birth place. A person determined to be foreign PEP is forever considered a foreign PEP, i.e., even after retiring from the position.

#### **2. Domestic PEP**

A domestic PEP is defined as a person who holds or has held a specific office or position in or on behalf of the Canadian federal government, a Canadian provincial government, or a Canadian municipal government within the last 5 years. A person ceases to be a domestic PEP five years after leaving the office.

The individuals who hold or have any of the following positions are considered Domestic PEP:

- a. Governor General, lieutenant governor or head of government;
- a. Member of the Senate or House of Commons or member of a legislature;
- b. Deputy minister or equivalent rank;
- c. Ambassador, or attaché or counsellor of an ambassador;
- d. Military officer with a rank of general or above;
- e. President of a corporation that is wholly owned directly by Her Majesty in right of Canada or a province;
- f. Head of a government agency;

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- g. Judge of an appellate court in a province, the Federal Court of Appeal or the Supreme Court of Canada;
- h. Leader or president of a political party represented in a legislature; or
- i. Mayor.

### 3. Head of International Organization

The head of international organization or HIO refers to the primary person, for example a president or CEO, who leads any of the following types of organizations or institutions:

- a. An international organization established by the governments of states; or
- b. An institution<sup>[1]</sup> established by an international organization.

In this context, an international organization is an organization that is set up by the governments of more than one country. The existence of these organizations is recognized by law in their member countries but the organizations are not seen to be resident organizations of any one member country. If an organization was established by means of a formally signed agreement between the governments of more than one country, then the head of that organization is a HIO. A person ceases to be considered an HIO after leaving the office.

### Tax Residency

If you need help with your tax residency information please visit Income Tax Folio, S5-F1-C1 - [Determining an Individual's Residence Status](#), on the CRA website.

### Identification Method

For identity ascertaining procedures about Credit File Method / Dual Process method, please visit - [Methods to identify individuals and confirm the existence of entities](#), on FINTRAC website.

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[1] There is no requirement for an institution established by an international organization to operate internationally. It might only operate domestically, or in one jurisdiction.