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Source of funds and source of wealth

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In short: Source of funds is where the money used in a particular transaction comes from, such as salary, a business sale or a loan. Source of wealth is how a person accumulated their total wealth. Banks and service providers ask for both as part of know-your-customer checks, especially for higher-risk clients.

Typical evidence includes bank statements, payslips or tax returns, a sale agreement for a business or property, dividend statements, inheritance documents or a loan agreement. For a new company, banks usually want to know how the share capital and first transactions will be funded, and where the shareholders' money comes from.

The level of evidence depends on risk: a politically exposed person or a large cash deposit triggers more questions than a small, transparent start-up.

See also

- Know your customer (KYC)
- Politically exposed person (PEP)

References

1. Guidance: Politically Exposed Persons (Recommendations 12 and 22) . Financial Action Task Force. Accessed November 2026.
2. The FATF Recommendations . Financial Action Task Force. Accessed November 2026.

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