

ANTI-MONEY LAUNDERING AND COUNTERING FINANCING OF TERRORISM ACT

WHY WE NEED TO ASK YOU FOR INFORMATION

New Zealand has a law called the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ("the AML/CFT law" for short). The purpose of the law reflects New Zealand's commitment to the international initiative to counter the impact that criminal activity has on people and economies within the global community.

Changes to the AML/CFT Act mean that from 1 July 2018 lawyers must comply with its requirements. Lawyers must do a number of things to help combat money laundering and terrorist financing, and to help Police bring the criminals who do it to justice. The AML/CFT law does this because the services law firms and other professionals offer may be attractive to those involved in criminal activity.

The law says that law firms and other professionals must assess the risk they may face from the actions of money launderers and people who finance terrorism and must identify potentially suspicious activity.

To make that assessment, lawyers must obtain and verify information from prospective and existing clients about a range of things. This is part of what the AML/CFT law calls 'customer due diligence'.

CUSTOMER DUE DILIGENCE REQUIREMENTS

Customer due diligence requires a law firm to undertake certain background checks before providing certain services to clients or customers. Lawyers must take reasonable steps to make sure the information they receive from clients is correct, and so they need to ask for documents that show this.

We will need to obtain and verify certain information from you to meet these legal requirements. This information includes:

- your full name; and
- your date of birth; and
- your address.

To confirm these details, documents such as your driver's licence or your birth certificate, and documents that show your address - such as a current bank statement - will be required.

If you are seeing us about company or trust business, we will need information about the company or trust including the people associated with it (such as directors and shareholders, employees, trustees and beneficiaries).

ACTIVITY RISK ASSESSMENT

In addition to Customer Due Diligence, we are also required to assess the risk of AML/CFT on an instruction by instruction basis.

We will need to ask you about the nature and purpose of the proposed work you are asking us to do for you. Information confirming the source of funds for a transaction or ongoing funds management may also be necessary to meet the legal requirements.

IF YOU CANNOT PROVIDE THE REQUIRED INFORMATION

If we are not able to obtain the required information from you, it is unlikely we can commence your instructions and will not be able to act for you.

Please contact us if you have any queries or concerns.