

How does the AML/CFT Act affect me?

New Zealand has passed 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.

The AML/CFT Act requires me to comply with its requirements. The law says law firms, accounting firms, real estate agents, 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, I 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 "client due diligence".

I must also conduct client due diligence on the beneficial owners of its clients and any related parties who act on our clients' behalf. The law classifies a beneficial owner as any person that owns greater than 25% of a client, or someone that has effective control of a client.

Client due diligence requirements

Client due diligence requires me to undertake certain background checks before providing services to clients. I must take reasonable steps to make sure the information I receive from clients is correct, and I need to ask for documents that show this.

I 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 passport, 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 me about company or trust business, I will need information about the company or trust, including the people associated with it (such as directors and shareholders, trustees and beneficiaries).

I may also need to ask you for further information. I will need to ask you about the nature and purpose of the proposed work you are asking me to do for you. Information confirming the source of funds for a transaction may also be necessary to meet the legal requirements.

If you cannot provide the required information

If I am not able to obtain the required information from you, it is likely I will not be able to act for you. Because the law applies to everyone, I need to ask for the information even if you have been a client of mine for a long time.

Before I start working for you, I will let you know what information I need, and what documents you need to show me and let me photocopy.

Please contact me if you have any queries or concerns.

Further information

Department of Internal Affairs – Information for the public: <https://www.dia.govt.nz/AML-CFT-Information-for-public>

Proof of Identification Information :

[https://www.dia.govt.nz/diawebsite.nsf/Files/proof-of-identification-info-sheet/\\$file/proof-of-identification-info-sheet-English-Dec-2017-a.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/proof-of-identification-info-sheet/$file/proof-of-identification-info-sheet-English-Dec-2017-a.pdf)

Anti-Money Laundering and Countering Financing of Terrorism Act 2009:

<http://www.legislation.govt.nz/act/public/2009/0035/latest/DLM2140720.html?src=qs>

Anti-Money Laundering and Countering Financing of Terrorism (Definitions) Regulations 2011:

<http://www.legislation.govt.nz/regulation/public/2011/0222/latest/whole.html>

Beneficial Ownership Guidelines:

[https://www.dia.govt.nz/diawebsite.nsf/Files/AML-CFT-2024/\\$file/AMLCFT-Beneficial-Ownership-Guideline-April-2024.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/AML-CFT-2024/$file/AMLCFT-Beneficial-Ownership-Guideline-April-2024.pdf)