

THE AML/CFT ACT AND HOW IT AFFECTS YOU

Why we need to ask for information

New Zealand has passed a law called the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (we will call it the AML/CFT law). The law is intended to reflect New Zealand's commitment to the international initiative to counter the impact that criminal activity has on people and economies within the global community.

From 1 July 2018, lawyers are required to comply with the requirements of the AML/CFT Act. This law requires lawyers to do a number of things to help combat money laundering and terrorist financing, and to help the Police enforce the law. The AML/CFT law requires this because the services law firms and other professionals offer may be attractive to those involved in criminal activity.

Law firms and other professionals must assess the risk they may face from the actions of money launderers and people who finance terrorism and to 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" ('CDD').

What information will we need from you

CDD requires a law firm to undertake certain background checks before providing 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 passport or driver's licence, and documents that show your address, such as a current bank statement or utility bill, 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, trustees and beneficiaries).

We may also need to ask you for further information. 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 may also be necessary.

What happens if you can't provide the required information

If we are not able to obtain the required information from you, it is likely we will not be able to act for you.

Before we start working for you, we will let you know what information we need, and what documents you need to provide.

Please contact the lawyer who will be undertaking your work, if you have any queries or concerns.