



Anti-Money Laundering legislation

What do I need to know? What do I need to provide?



Contents

Contents.....	1
Why are you asking me for this information?.....	2
What do I need to provide?	3
What are examples of a Source of Wealth or Source of Funds?.....	5
What happens if I can not provide the information?	6
Contact Us.....	7

Level 2, Young Hunter House, 134 Victoria Street, Christchurch, 8013, NZ

PO Box 929. Christchurch 8140, DX WX 11183

p. 03 379 3880. younghunter.co.nz



Why are you asking me for this information?

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.

Changes to the AML/CFT law mean that from 1 July 2018 lawyers have been obliged to 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 requires law firms and other professionals to assess the risks 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”.



What do I need to provide?

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:-

INDIVIDUALS

Each individual must provide:-

- A copy of your drivers licence, passport or firearms licence; and
- In some instances, we will need you provide proof of address – ideally a document issued by your bank (such as a bank statement), the government (such as a letter from IRD, or a rates demand).

You will need to bring the originals of these documents into our office to have them certified. If you are unable to do this, please let us know and we can send you a link to your mobile phone, and you can do this process electronically through our agent, APLYiD.

In some cases, we will also need you to provide details of both your source of wealth and source of funds. We will let you know if we need this information.

TRUST

For each trustee, and person who holds powers of appointment or hold effective control, or where it is a fixed trust also for each beneficiary, then for each of those parties we will need:-

- A copy of your drivers licence, passport or firearms licence; and
- Proof of address – ideally a document issued by your bank (such as a bank statement), the government (such as a letter from IRD, or a rates demand).

You will need to bring the originals of these documents into our office to have them certified. If you are unable to do this, please let us know and we can send you a link to your mobile phone, and you can do this process electronically through our agent, APLYiD.

We will also need a copy of the Trust Deed, together with any variation.

We will also need the trust to provide details of both its source of wealth and source of funds. See below as to what would be required.

COMPANY

For each director, and for each shareholder holding over 25% of the shares, as well as any other party who holds effective control in the Company, then for each of those parties: we will need:-

- A copy of your drivers licence, passport or firearms licence; and
- In some instances, we will need you provide proof of address – ideally a document issued by your bank (such as a bank statement), the government (such as a letter from IRD, or a rates demand).



You will need to bring the originals of these documents into our office to have them certified. If you are unable to do this, please let us know and we can send you a link to your mobile phone, and you can do this process electronically through our agent, APLYiD.

We will also need to know:-

- If there is a party who is not a director or shareholder who is in effective control of the company – such as a Chief Executive Officer.
- Whether there is a Shareholders Agreement.
- Whether there are any other powers that bind and regulate the Company.
- Whether there are any nominee directors or shareholders.



What are examples of a Source of Wealth or Source of Funds?

Income/salary

- Payslip from within the last three months
- Bank Statements
- Confirmation of earning from IRD

Business Proceeds / Company Profits

- Financial statements from your accountant
- Letter from accountant confirming statement of position

Investment Income

- Investment certificates, contract notes or surrender statements
- Bank statements clearly showing receipt of funds and investment company name
- Signed letter from accountant

Gift

- Donor's source of wealth, together with a letter from the Donor confirming the details of the gift
- Letter from the accountant confirming origin of the gift and confirming the donors source of wealth
- Gifting documents

Inheritance

- Grant of Probate with value of estate

Sale of Property

- Copy of Agreement for Sale and Purchase
- Trust Account Statement

Rental of Assets

- Proof of ownership
- Rental agreements



What happens if I can not provide the 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. Because the law applies to everyone, we need to ask for the information even if you have been a client of ours for a long time.

Before we start working for you, we will let you know what information we need, and what documents you need to show us and let us copy them.

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



Contact Us

Please do not hesitate to contact us on 03 379 3880 to discuss how our commercial and property team may be able to help.

Disclaimer

The information in this booklet is current as at the date of publication and is only intended to provide general comments about the law. Young Hunter accepts no responsibility for reliance by any person or organisation on the content of this booklet. For further information or specific advice please contact our commercial and property team who will be happy to assist.