

## **AML/CFT Act**

The Anti-Money Laundering and Countering Finance of Terrorism Act 2009 (“AML/CFT Law”) became operative on the 1<sup>st</sup> July 2018. 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 requirements of this legislation are that lawyers must assess the risk they may face from the actions of money launderers and people who finance terrorism and must identify potentially suspicious activity.

### **WHY WE NEED TO ASK YOU FOR INFORMATION**

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 will require a law firm to undertake certain background checks before providing services to clients. Lawyers must take reasonable steps to make sure the information they receive from clients is correct and will need to ask for documents that show this.

Clients who have never been asked for such information before or who are trying to engage a lawyer for the first time after 1<sup>st</sup> July 2018 may be surprised at being required to prove their identity and address.

### **CUSTOMER DUE DILIGENCE REQUIREMENTS**

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

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

My firm’s policy is to obtain Certified Copies of the information required under the legislation including Certified Copies of your Passport or Drivers Licence and documents confirming your present address such as a current bank statement and/or utility account.

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 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 to meet the legal requirements.

We may appoint an agent under section 34 of the AML/CFT Act to complete client due diligence on our behalf, in which case you:

- (a) Authorise us to provide information concerning you and your affairs to the agent for that purpose; and
- (b) Agree to pay the cost of that agent completing client due diligence (which we will invoice you as a disbursement) whether or not the particular matter or transaction proceeds.

**IF YOU CANNOT 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. 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 photocopy.

Please contact the writer if you have any queries or concerns.