



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.

### **What Does This Mean For Us?**

From 1 July 2018 all law firms will be required to collect and verify information from prospective and existing clients about a range of matters, in order to comply with their legislative obligations to help combat money laundering and terrorist financing.

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' (CDD).

### **What Is Customer Due Diligence?**

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.

### **What Do We Need From You?**

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
- your address.

To confirm these details, you must provide us with documents such as:

- your driver's licence,
- passport
- or your birth certificate,
- current bank statement to prove your address

We will take a copy of these documents to keep on file.

If you are seeing us about a 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 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 (compulsory for trusts) may also be necessary to meet the legal requirements. We must also take reasonable steps to make sure the information we receive is correct and we may need to ask you for further documents to show this.

### **What if you can't provide the information required under the AML/CFT Act?**

If you can't provide us with the information required to complete due diligence, we will not be able to represent you. The law is very strict and applied to every individual and company who engages a law firm in New Zealand. This is also the case if you have been a longstanding client of ours.

We will endeavour to make this process as easy as possible for you and will let you know what information we require before we start working with you.

If you have any queries or concerns then don't hesitate to contact one of our team.