

# Introduction to AML

## **WHAT IS AML?**

AML means Anti-Money Laundering. AML law\* has been in place in New Zealand since 2013. AML law is aimed at detecting and deterring criminals engaged in money-laundering and the financing of terrorism. AML law already applies to New Zealand banks and financial institutions, as well as lawyers and accountants – as the services they offer could be used by criminals to launder money. From 1 January 2019, for the same reason, AML law will also apply to real estate agents in New Zealand.

## **WHAT IS CUSTOMER DUE DILIGENCE?**

From 1 January, before we do business with you, we will need to obtain certain information from you – in order to satisfy ourselves that you are not going to use our services to facilitate crime. This is called customer due diligence. By law, we are not able to provide services to you until our customer due diligence is complete. We are required to carry out customer due diligence on new customers and existing customers – and we'll need to carry out customer due diligence on you even if you have been a customer of ours for a long time.

## **WHAT INFORMATION DO WE NEED?**

We will need your full name, your date of birth and your address. To make sure you are who you say you are, we also need evidence of that information. To make the process as simple as possible for you, we use electronic verification – which is where we confirm your identity using electronic databases wherever possible, so you don't have to worry about getting copies of documents. We will also ask for a photo of your Drivers Licence or Passport (there are other options which we can discuss with you if you haven't got one of these). To protect against ID theft, we also have to check that the photo on the document is you - the easiest way is for one of the Ray White team to confirm this by meeting you, but again there are other options if this isn't possible. We use an agent, The TIC Company to carry out this work on our behalf. Most of the time it is processed without any further information required, but sometimes they will need to get in touch, especially if a party is a Trust or based offshore. But, they will explain clearly what they need and quickly work with you to get the process completed.

## **WHAT ABOUT TRUSTS AND COMPANIES?**

For trusts and for other customers which are not individuals, like companies, we'll need to collect information not only about the trust or company but also about the individuals associated with it (such as directors, shareholders, trustees and beneficiaries). This is to prevent criminals 'hiding' behind a legal entity. We will identify these people where possible, but we will be relying on you to help us identify all the people who own or control the customer engaging us. We will make this as easy as possible by providing you with detailed guidance on what we need.

## **SOURCE OF WEALTH/FUNDS**

For some customers, such as trusts, we will need to ask for information on the customer's source of funds or wealth. Again, we will make this as easy as possible by giving you detailed guidance on what we need.

## **WHAT HAPPENS IF I DON'T PROVIDE THE INFORMATION?**

If you are unable to provide the information we need, it is likely that we will not be able to provide services to you. If you have any queries or concerns about these new requirements, please don't hesitate to contact us.

+\*The Anti-Money Laundering and Counter-Financing of Terrorism Act and associated regulations