



Complying with the new Anti-Money Laundering legislation for Accountants

Introduction

In 2009 the AML/CFT Act became, and remains, the cornerstone of the New Zealand Anti-Money Laundering ('AML') and Countering Financing Terrorism ('CFT') regime. Phase 1 of the AML/CFT Act came into effect in 2013 and placed obligations on reporting entities (such as financial institutions, financial advisers, trust companies and casinos). Effective from 1 July 2018 Lawyers became reporting entities.

However, from 1 October 2018, Accountants will also be reporting entities and have obligations under the AML/CFT Act in certain situations. These include:

- Establishing companies, trusts, limited partnerships and other legal arrangements;
- When Biz Solutions (or a related/nominee entity) acts as a nominee director, shareholder or trustee;
- When Biz Solutions assists a client in arranging for a person to act as a nominee director, shareholder or trustee;
- Managing client funds; and
- When Biz Solutions provides a registered office, a correspondence address or an administrative address for a company, partnership or other legal arrangement.

What we need from you when undertaking a 'Captured Activity'

Common to all AML and CFT legislation around the world, New Zealand law requires Biz Solutions to conduct customer due diligence (CDD) on a client before undertaking a 'Captured Activity'. The objective of CDD is to verify the identity of our clients and to understand the nature of their business. These obligations may apply to all clients, including those who we have known for a number of years.

To undertake CDD, we will generally require a certified or verified copy of an individual's New Zealand driver's licence which we can verify via an online, secure software application. In some circumstances, we may instead require a certified copy of an individual's passport or driver's licence instead. We may also require individual's to provide evidence of their address, such as with a bank statement or utility bill.

When our client is a trust or company, we will ask for details of certain individuals who are connected to the trust or company (such as trustees, directors and shareholders) as we will need to verify the identity and address of these individuals as well. For trust clients, we will also require information relating to the source of wealth or source of funds of the trust.

Making it as simple as possible for our clients

We intend to make this process as easy and efficient as possible for you, our clients. From the moment we are instructed, we will provide you with clear guidance about what information and documentation we require, and from whom. It is important that we receive this information and documentation from you as soon as possible as the AML/CFT Act provides that without such information and documentation, we will not be able to act.

If you have any questions about the AML/CFT Act, such as how it will apply to you or your business, please do not hesitate to contact the Senior Staff responsible for your matters.