

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 you say you are, we also need evidence of that information. To make the process as simple as possible for you, we plan to use electronic verification – which is where we confirm your identity using electronic databases. We'll also ask you to provide a self-portrait using a smartphone, which we can 'match' against the photo on your ID. If for any reason we can't verify your identity electronically we'll ask you to provide photo identification like your passport or current driver's licence and also documents that show your address, such as a bank account statement or utility bill. You'll need to bring those documents to us or have them certified by a lawyer or other trusted person.

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



ANTI-MONEY LAUNDERING

Proving your identity

From 1 January 2019, real estate agents are required to verify the identity of their vendors in accordance with Anti-Money Laundering legislation. In some situations, real estate agents will also be required to verify the identity of purchasers. If your real estate agent cannot verify your identity in line with the legislation, they will not be able to act for you.

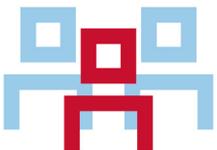
Identity verification can take days and sometimes weeks if a Trust or company is involved, or where parties reside overseas.

The below gives an indication of some of the documents your real estate agent may ask you to present in person or as a certified document as part of this process:



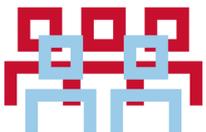
Individuals:

Passport, NZ Firearms Licence or NZ Drivers Licence with another document such as a bank statement or statement issued by a Government agency. You will also need to provide a document with your residential address (for example, a utility bill).



Trusts:

The Trust Deed and, for all trustees and settlors, the information required for individuals as noted above, together with information regarding the Trust's source of funds or wealth. Additional information may also be required for beneficiaries and appointers.



Companies:

Details of the company, together with the information for individuals noted above for every individual with more than a 25% shareholding, all individuals with effective control of the company and all individuals acting on behalf of the company. Information regarding source of funds or wealth may also be required.

Note: The above list is not exhaustive and is indicative only. Your real estate agent will assist you with the specific requirements in relation to your situation.

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