



## **New Requirements Regarding Client Information for Law Firms from 1 July 2018**

- 1 From 1 July 2018, we are required to ask for more information from clients regarding their personal identity and/or that of their business.

### **Why we need to ask for this information**

- 2 New Zealand has passed a law called the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“the AML/CFT Law”).
- 3 The purpose of the AML/CFT Law is:
  - (a) To detect and deter money laundering and the financing of terrorism; and
  - (b) To maintain and enhance New Zealand’s international reputation by adopting recommendations issued by the Financial Action Task Force; and
  - (c) To contribute to public confidence in the financial system.
- 4 Law firms are deemed to be reporting entities and lawyers are required to comply with the requirements of the AML/CFT Act. The AML/CFT law does this because the services offered by law firms may be attractive to those involved in criminal activity.
- 5 There is a legal obligation on my law firm to assess the risk that it faces from the action of money launderers and people who finance terrorism and to identify potentially suspicious activity.
- 6 I am required to obtain and verify information from all existing and prospective clients. This requirement is part of what is called “customer due diligence” (“CDD”).

### **Customer Due Diligence Requirements**

- 7 CDD requires my law firm to undertake certain background checks on clients before providing services to my clients or customers. My law firm is required to take reasonable steps to make sure the information they receive from clients is correct and therefore there may be a need to ask for documents to verify the information obtained.
- 8 The information that will be required for all clients to assist my firm in verifying these legal requirements includes:

- (a) Your full name;
  - (b) Your date of birth;
  - (c) Your address;
- 9 To confirm the above details, documents such as your driver's licence, your passport, your birth certificate and other documents that show your current address (e.g. current bank statements or utility statements) will be required.
- 10 If you are consulting my firm about company or trust business, my firm will need information about the company or trust, including the people associated with it (for example, the directors and shareholders, trustees and beneficiaries).
- 11 There may be a need to require information additional to the above. We need to ask about the nature and purpose of the proposed work you are wanting my firm to undertake. This will include information confirming the source of funds for a transaction which may be necessary to meet the legal requirements under the AML/CFT law.
- 12 If you are not able to supply the information required, it is likely my firm will not be able to act for you.

**If you cannot provide the required information**

- 13 Before we start working with you, we will advise you in due course what information is required.
- 14 My firm regrets in advance for any inconvenience that may result (especially for my existing clients) but I ask for your understanding and cooperation in assisting my firm in meeting its legal requirements under the AML/CFT law.
- 15 Please contact Tony Sweetman directly should you have any queries or concerns.