



## **IMPORTANT INFORMATION THAT AFFECTS YOU AS OUR CLIENT**

### **ANTI-MONEY LAUNDERING NEW LAWS MAKE CHANGES TO THE WAY TO WORK WITH YOU**

New laws apply to all Lawyers and their clients from 01 July 2018. You may have encountered the process if you have opened a new account with a bank recently. The laws already apply to banks. The new laws will apply to your Accountant from 01 October 2018 and to all Real Estate Agencies from 01 January 2019.

#### **Why?**

The Government has passed a new Anti-Money Laundering and Countering Financing of Terrorism Act dated 2009. We call the mouthful AML for short.

AML is an initiative by the majority of responsible countries in the world. There are practical methods to make it harder to profit from and fund an illegal activity. There are also restrictions on the flow of money to terrorist organisations.

Some criminals try to use Lawyers to help hold and move assets. The rules should deter criminals from using our services and help us to detect them if they do so.

The new law helps safeguard New Zealand to live up to its reputation as one of the least corruptive countries in the world and a good place to conduct business.

#### **What does this mean for you as our client?**

We are required to “know our clients” and to collect and verify information to show we know our client is who they say they are.

You may think, well you have dealt with us before and you surely know who we are. We do know quite a lot about our existing clients, but AML includes a set of rules that we must adhere to. Even if we know you well we are still required to complete “customer due diligence” (CDD). We must hold proof of identity and verification of your physical address. In some

cases we are required to obtain evidence of your source of money or the source of funds used to settle say a property purchase. We may need nothing more than sighting your passport and a document such as a bank statement, rate demand or utility bill addressed to you at your usual residential address. We must hold a copy of the up to date certification of your identity on our file for audit purposes.

Companies and Trusts require us to have more information and if you are involved with a Company or Trust we will let you know what we require when you consult with us again.

Where we have information at our hands that covers some of the identity requirements we will try and request only the documentation we need from you.

Next time we see you we will need to update “CDD” information.

New clients are required to complete “CDD” before we are able to act on any instructions. We will incorporate reference to that in our new client engagement process.

We will try and make this as easy for you as we are able. We will need your co-operation and timely responses to any requests for information. Please note under the AML rules we simply cannot continue to act for you if we cannot complete the required requirements.

Our AML Compliance Officer is Hugh Perry. For more information you could contact him at [hugh@hsplaw.nz](mailto:hugh@hsplaw.nz)

The Team at Hugh Smith Perry