

‘AML/CFT Law’ - Why we need to ask you for information

New Zealand has passed a law called the **Anti-Money Laundering and Countering Financing of Terrorism Act 2009** (“the **AML/CFT law**” for short). The purpose of the law reflects New Zealand’s commitment to the international initiative to counter the impact that criminal activity has on people and economies within the global community.

Recent changes to the AML/CFT Act mean that from 1 July 2018 certain businesses called “reporting entities (REs)” must comply with its requirements. REs must do a number of things to help combat money laundering and terrorist financing, and to help Police bring the criminals who do it to justice.

The AML/ CFT law does this because the services that Financial Service Providers (FAPs) and other professionals and REs offer may be attractive to those involved in criminal activity.

The law says that reporting entities (REs) must assess the risk they may face from the actions of money launderers and people who finance terrorism and must identify potentially suspicious activity.

To make that assessment, REs must obtain and verify information from prospective and existing clients about a range of things. This is part of what the AML/CFT law calls “**customer due diligence**”.

Customer Due Diligence requirements – our legal obligation

Customer Due Diligence (CDD) requires an RE, such as a **Financial Service Provider (FAP)** like **Insurance and Investment Services Ltd**, to undertake certain background checks before providing services to clients. Reporting entities must take reasonable steps to make sure the information they receive from clients is correct, and they therefore need to ask for documents that prove this.

Information to meet the legal requirements includes:

- **your full name;** and
- **your date of birth;** and
- **your address.**

To confirm these details, documents such as your passport or driver’s licence, or your birth certificate, and documents that show your address - such as a current bank statement, utility invoice or Rates invoice - will normally be required.

Electronic Identity Verification (EIV) may also be employed to simplify and speed up the CDD process, making it easier for you and us to comply with the legal Customer Due Diligence requirements. Insurance and Investment Services Ltd uses **RealAML** to undertake Electronic Identity Verification (EIV) checks.

We may also need to ask you for further information, such as confirming the source of wealth or funds for a transaction, in order to comply with AML/CFT regulations.

Providing the required information – becoming a client

Before becoming a client of **Insurance and Investment Services Ltd**, and providing you with financial services, we will let you know what information we need and what documents you need to provide us with. This can depend upon the kind and complexity of the service you are wanting, however your name, date of birth and address is always required. Electronic Identity Verification using **RealAML** will be used in most cases to streamline this CDD process.

If we are not able to obtain the required information from you we will unfortunately not be able to provide you with investment advice or financial services. Because the law applies to everyone, we will often need to ask for further information even if you have already been a client of ours for a long time.

Please contact the Insurance and Investment Services team if you have queries or concerns at any time during the CDD process, and we will be happy to help.