

Anti-money Laundering Information

What it's all about....

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.

The AML/CFT Act means that from 1 October 2018 Accountants, including Bookkeepers, must comply with its requirements if they provide certain services called captured activities. This includes tax transfer, creating companies and other entities and managing client funds, such as authorising creditor payments.

From 1 October 2020 NATCO no longer offers any captured activities. The following describes what the AML/CFT Act means when you do offer these services.

Accountants 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 accounting firms and other professionals offer may be attractive to those involved in criminal activity.

The law says that accounting firms and other professionals 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, Accountants 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

Customer due diligence requires an accounting firm to undertake certain background checks before providing services to clients or customers. Accountants must take reasonable steps to make sure the information they receive from clients is correct, and so they need to ask for documents that show this.

We will need to obtain and verify certain information from you to meet these legal requirements. This information includes:

- your full name; and
- your date of birth; and

- your address.

To confirm these details, documents such as your current passport, driver's licence or your birth certificate, and documents that show your address - such as a current bank statement - will be required. If you are seeing us about company or trust business, we will need information about the company or trust including the people associated with it (such as directors and shareholders, trustees and beneficiaries).

We may also need to ask you for further information. We will need to ask you about the nature and purpose of the proposed work you are asking us to do for you. Information confirming the source of wealth for a trust or funds for a transaction may also be necessary to meet the legal requirements.

IF YOU CANNOT PROVIDE THE REQUIRED INFORMATION

If we are not able to obtain the required information from you, it is likely we will not be able to act for you. Because the law applies to everyone, we may need to ask for the information even if you have been a client of ours for a long time.

Before we start working for you, we will let you know what information we need, and what documents you need to show us and let us photocopy.

OUR DECISION

In addition to the above, as an accounting/bookkeeping business offering captured services, we must be audited every two years and comply with other obligations of the Act. This is a time consuming and expensive process, all costs needing to be passed on to clients, hence our decision to no longer offer any captured services.