

AML guidance and publications

Sector Risk Assessment

One of the statutory functions of an AML supervisor is to assess the level of risk of money laundering and terrorism financing across all the reporting entities it supervises.

The Reserve Bank published its Sector Risk Assessment in April 2017.

[Read the Sector Risk Assessment \(PDF 1.25MB\)](#)

More information on Sector Risk Assessment

[AML/CFT FAQs](#)

[News release: Reserve Bank updates its assessment of money laundering and terrorism financing risks](#)

[Read the Information Pack produced by the AML supervisors \(PDF 164KB\)](#)

Annual Reports

The AML/CFT Act requires all reporting entities to prepare an annual report.

The Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Amendment Regulations prescribe the form and content of the annual report. The regulations were updated in 2016.

[Read the amended regulations](#)

The AML/CFT supervisors published a User Guide to Annual AML/CFT Reports in May 2016 to assist reporting entities when completing their annual reports.

[Read the User Guide to Annual AML/CFT Reports \(PDF 1.6MB\)](#)

The next Annual Report is likely to be due by the end of August 2018. Further information will be published closer to this date.

Codes of Practice

Under the AML/CFT Act, supervisors are empowered to develop Codes of Practice Containing suggested methods that reporting entities can use to comply with their regulatory obligations. While not mandatory, they can provide a defence against charges of non-compliance (a "safe-harbour"), if followed correctly. Codes of Practice relevant to the firms supervised by the RBNZ will appear here.

Amended Identity Verification Code of Practice 2013

On 10 October 2013 an Amended Identity Verification Code of Practice was gazetted under section 64 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act). The amendments come into force on 1 November 2013.

[Read the Amended Identity Verification Code of Practice 2013 published October 2013 \(PDF 130KB\)](#)

The Identity Verification Code of Practice Explanatory Note, published in December 2017, clarifies requirements for electronic identity verification in accordance with the Amended Identity Verification Code of Practice 2013.

This December 2017 update replaces the previous version that was published in 2013.

[Read the Identity Verification Code of Practice Explanatory Note \(PDF 320KB\)](#)

Complying with a code of practice is not mandatory, although it constitutes a safe harbour. If a reporting entity fully complies with the Code it is deemed to be compliant with the relevant parts of the AML/CFT Act. If a reporting entity opts out of the Code, it must inform its supervisor and must adopt practices that are equally effective, otherwise it risks non-compliance.

FIU/ACAMS Conference 2017 Slides

[FIU/ACAMS Conference 2017 Slides \(PDF 586KB\)](#)

Guidelines

Supervisors are also empowered to develop guidelines and other guidance aimed at helping reporting entities meet their obligations.

Risk assessment guideline

A risk assessment is the first step that a reporting entity must take before developing a programme to address money laundering and terrorism financing risks. It involves identifying and assessing the risks a business might reasonably expect to face. The Risk assessment guideline, published June 2011, is in four parts and is accompanied by additional resources that may assist when conducting a risk assessment.

[Read the Risk assessment guideline \(PDF 182KB\)](#)

AML/CFT NEWS & UPDATES

Mar 2018 **AML**

The NZ Police Financial Intelligence Unit has published a National Money Laundering and Terrorism Financing Risk Assessment ('NRA') in March 2018. The NRA sets out the current understanding of the national-level risks of illicit financing in New Zealand.

[Read the National Risk Assessment 2018](#)

Dec 2017 **AML**

If you have received a written request from the Reserve Bank to provide a copy of your latest section 59 audit(s), please submit the required documentation via this [link](#).

Sep 2017 **AML**

The Reserve Bank of New Zealand has published an update on Prescribed Transactions Reporting. Please read the update [here](#).

Apr 2017 **AML**






The Reserve Bank published an updated assessment of the money laundering and terrorism financing risks that face the financial sector. [Read the Sector Risk Assessment \(PDF 1.25MB\)](#).

Dec 2016 **AML**

The Ministry of Justice has issued a [first draft amendment bill](#) to implement "Phase 2" with a deadline of Friday, 27 January 2017 for your submissions.

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AML/CFT programme guideline

An AML/CFT programme sets out internal policies, procedures and controls to detect money laundering and financing of terrorism and to manage and mitigate the risk of it occurring. An AML/CFT programme is based on your Risk Assessment. The AML/CFT programme guideline was published in December 2011.

[Read the AML/CFT programme guideline \(PDF 115KB\)](#)

Enhanced Customer Due Diligence guideline

The Enhanced Customer Due Diligence Guidance, published in December 2017, is designed to assist reporting entities to understand their EDD requirements under the AML/CFT Act.

[Read the Enhanced Customer Due Diligence Guidance \(PDF 862KB\)](#)

Interpreting "Ordinary Course of Business" guideline

The Ordinary Course of Business Guideline, published in December 2017, helps clarify the meaning of the phrase "in the ordinary course of business", as found in the AML/CFT Act. The guideline, and the meaning of this phrase, is important if your business carries on an activity that is listed under the definition of 'financial institution' in the Act.

This December 2017 update replaces the previous version that was published in 2012.

[Read the Ordinary Course of Business Guideline \(PDF 205KB\)](#)

Territoriality guideline

This guideline provides information relating to the carrying on of financial activities by businesses both within and outside New Zealand. The Territoriality guideline, published December 2012, is designed to assist such businesses to determine whether they are reporting entities under the AML/CFT Act.

[Read the Territoriality guideline \(PDF 90KB\)](#)

Insurance business coverage guideline

The Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Regulations 2011 exempt certain relevant services from the AML/CFT Act or parts of the Act. The Insurance Business Coverage guideline, published February 2012, helps clarify some exemptions available in these regulations as they apply to insurance.

[Read the Insurance Business Coverage guideline \(PDF 113KB\)](#)

Countries assessment guideline

You are required to assess the AML/CFT risks associated with the countries you deal with. For example, this may be necessary when you deal with a non-resident customer, or an overseas institution. The Countries assessment guideline, published July 2012, will help you decide when you need to undertake an assessment and how to approach an assessment.

[Read the Countries assessment guideline \(PDF 456KB\)](#)

Audit guideline

This guideline provides an overview of matters to consider when arranging an audit, as required under section 59(2) of the AML/CFT Act. The Guideline for audits of risk assessments and AML/CFT programmes, published December 2012, will help reporting entities manage the requirement to audit AML/CFT risk assessment and AML/CFT programmes.

[Read the Guideline for audits of risk assessments and AML/CFT programmes \(PDF 159KB\)](#)

Designated business group guidelines

The Designated Business Group - Scope Guideline outlines the obligations that may be shared by members of a designated business group.

[Designated Business Group - Scope Guideline \(PDF 207KB\)](#)

The Designated Business Group – Formation Guideline highlights the eligibility criteria and election process when forming or joining a designated business group. It also explains the process for notifying an AML/CFT supervisor about the formation of, or change to, a designated business group and provides the forms for doing so.

These December 2017 updates replace the previous versions that were published in 2012.

[Read the Designated Business Group – Formation Guideline \(PDF 223KB\)](#)

Beneficial ownership guideline

The Beneficial ownership guideline, published December 2012, provides information to assist in the identification and verification of a customer's beneficial owners. The guideline also provides information to help reporting entities understand the distinction between a beneficial owner and a person acting on behalf of a customer.

[Read the Beneficial ownership guideline \(PDF 211KB\)](#)

Fact sheets on beneficial ownership and customer due diligence are available for these customer types:

[Acting on Behalf of a Customer](#), published August 2013 (PDF 1MB)

[Customer Due Diligence - Trusts](#), published April 2013 (PDF 160KB)

■ This is to be read together with an explanatory note (PDF 1MB)

[Customer Due Diligence - Sole traders and partnerships](#) published April 2013 (PDF 153KB)

[Customer Due Diligence - Companies](#), published April 2013 (PDF 156KB)

[Customer Due Diligence - Co-operatives](#), published April 2013 (PDF 153KB)

[Customer Due Diligence - Clubs and Societies](#), published April 2013 (PDF 145KB)

Managing Intermediaries

The Ministry of Justice has published a class exemption for managing intermediaries on its website.

[Go to the Ministry of Justice's website](#)

Wire transfers guideline

This guideline clarifies the types of transactions that are wire transfers for the purposes of the AML/CFT Act. The Wire transfers guideline, published August 2013, also describes who the parties are in a transaction and what responsibilities they have.

[Read the Wire transfers guideline \(PDF 1MB\)](#)

Newsletters

December's edition of the AML/CFT update includes insights on good practice, AML/CFT culture and new guidelines.

[AML Update - December 2017 newsletter \(PDF 822KB\)](#)

[AML Update - August 2017 newsletter \(PDF 137KB\)](#)

Further guidance and information

The NZ Police Financial Intelligence Unit has published a National Money Laundering and Terrorism Financing Risk Assessment ('NRA') in March 2018. The NRA sets out the current understanding of the national-level risks of illicit financing in New Zealand.

[Read the National Risk Assessment 2018](#)

The NZ Police Financial Intelligence Unit also publishes Quarterly Typology Reports. The purpose of these reports is to provide a picture of current, emerging and longer-term AML/CFT risk factors.

[Go to the Quarterly Typology Reports on the New Zealand Police website](#)

[Visit the New Zealand Police website for more information](#)

Further information on the development and review of the AML legislation and related regulations can be found on the Ministry of Justice website.

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