

AML SUMMIT 2019

AML Solutions answers your questions

If you have a prospective client that has a power of attorney over them, do you do CDD on the client and the power of attorney or just the power of attorney?

You will need to both identify the client and the power of attorney (**POA**). This is because they both meet the definition of a customer. Under the AML/CFT Act, you are required to undertake CDD on:

- a) a customer;
- b) any beneficial owner of a customer; and
- c) any person acting on behalf of a customer.

With point a) being your client and c) being the POA. You will also need to consider if any beneficial owners of your customer/client exist and undertake CDD on their parties also.

Would you consider a renewal of an agency agreement a material change? Then require CDD to be completed if the renewal is for a property that was listed pre 1 January 2019?

Per the Department of Internal Affairs website, specifically in the 'Frequently asked questions' section "the renewing of an agency agreement for an unsold property would not generally be considered a "material change". However, any new listing for a sale of a property for a customer that you have previously acted for is likely to be a "material change". This would mean that a renewal of an agency agreement in its own right would not amount to a material change.

However, ongoing CDD requirements must also be considered, so where you do not have sufficient information for a client i.e. CDD has not been undertaken to the standard of the Act, CDD information would need to be collected.

Accordingly, where you do not have CDD information for a client, and a natural contact point such as a lease renewal occurs, it would be sensible to undertake CDD at this time.

Where certification has taken place overseas, and lacks part of the certification wording as outlined in the Code (i.e. sighted the document, is a true copy of the original, and represents a true likeness of the individual), would you ask the client to go back to have the certifier redo the certification to include the required wording?

There is no specified 'certification' wording in either the Identify Verification Code of Practice 2013 (**IVCOP**) or the Act. Part 2 of IVCOP states that the trusted referee "make a statement to the effect that the documents provided are a true copy and represent the identity of the named individual (link to the presenter)". Accordingly, based on a risk-based approach you may choose to accept wording which does not align directly, or exceptions may be granted. You should be confident that the certification is genuine and has been undertaken by a person meeting the definition of a trusted referee.

Please note you will need to obtain an original 'wet ink' copy of the certification documents. If scanning the 'wet ink' copy into your system, please acknowledge it's receipt by dating and signing before scanning.

Do you need to collect and hold identification documentation if you are using an electronic verification service?

Each electronic identification verification (EIV) service provider is different, and you will need to consider how this tool not only verifies the name, date of birth and address of an individual but also how you link the individual to the claimed identity. Generally speaking, in order to perform EIV in line with the Identity Verification Code of Practice 2013 and its associated Explanatory Note, a copy of the client's identity documents would need to be collected. Generally, the identity documents would not be certified/verified (as it is assumed verification is undertaken through the use of the EIV tool).

Whatever approach you choose to put in place as part of your AML/CFT regime, you will need to document how you address the necessary requirements in your AML/CFT Compliance Programme.

FIU

Will the FIU provide GoAML training to dealers in high end goods?

The FIU have advised - when new users apply to have access to goAML, they are put on an invite list and when there are enough users for a certain locality the FIU arrange a venue and those people are invited to GoAML training.

The FIU have been holding off accepting new entities and users for the HVD until DIA were ok with it. This process has now commenced and there are training sessions coming up in Wellington, Auckland, and Rotorua.

There is also the FIU Conference coming up in October, details below;

FIU Conference:

7 October	1.00pm – 4.00pm	Sector Supervisor workshop
8 October	8.30pm – 5.00pm	Day 1 Conference
9 October	8.30pm – 5.00pm	Day 2 Conference

Instructions regarding registering for this conference will be sent via the FIU Message Board.

DIA

Will the DIA be conducting workshops for dealers in high end goods?

The DIA has held a small working group forum with key high value dealer stakeholders and are now working on refining a targeted communication plan, including communications through professional bodies channels which include member e-newsletters, sector magazines and targeted events. Guidance will be published on the DIA website and a video will be produced that targets High Value Dealers to explain their obligations.