AML HUB

CDD Exceptions

Register Manual

Contents

Introduction

An exception enables an authorised staff member to move forward with onboarding a client when less than the required CDD has been performed. It is an AML requirement to maintain a register of all exceptions, whether temporary or permanent, and monitor them.

As a general rule, customer due diligence must be completed before entering into an agency agreement with a customer. However, the legislation is risk-based, and you can grant either:
- a temporary exception, where a finite period is attached to any missing CDD; or
- a permanent exception, where CDD is not able to be fully completed for a justifiable reason.

Exceptions, by definition, are expected to be rare. The criteria for granting an exception is:
1. it is essential not to interrupt the normal course of business;
2. you effectively manage ML/TF risks through appropriate risk management procedures; and
3. you complete CDD as soon as practical once you have established a business relationship (for temporary exceptions).

The CDD exceptions register of the AMLHub desktop provides the required framework for monitoring, justifying and recording exceptions.
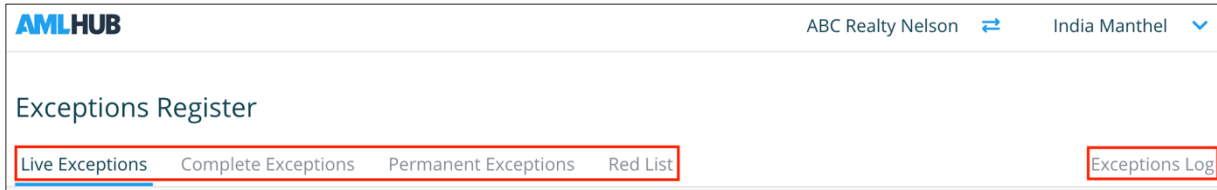
Navigation

Different Sections Within the CDD Exceptions Register

You can navigate to the 'CDD Exceptions Register' section of the AMLHub desktop through the left-hand sidebar. The page will display the following four tabs:

- **Live Exceptions**
  Contains temporary exceptions with active due dates that have not yet been resolved.

- **Complete Exceptions**
  Temporary exceptions that have been resolved.

- o **Permanent Exceptions**
  All permanent exceptions granted.

- o **Red List**
  Temporary exceptions that have surpassed their due date and have not been resolved. Additionally, includes temporary exceptions that have been intentionally chosen to 'fail'.


The CDD exceptions register additionally contains the 'Exceptions Log'. This keeps a record of all activity within the CDD exceptions register. You can navigate here by clicking on 'Exceptions Log', adjacent to the four tabs mentioned above.

Issues & Warnings

Issues and/or warnings may appear in the CDD register of the AMLHub desktop in relation to temporary exceptions.

- o A warning [⚠ 1 WARNING] will appear if a temporary exception has been granted for an individual and has not yet 'failed' or been resolved.

- o An issue [❗ 1 ISSUE] will appear if a temporary exception has surpassed its due date and is now overdue.

Warnings and issues are displayed in the top right-hand corner of the CDD register. Clicking on either icon will display the respective details of any outstanding warnings or issues.
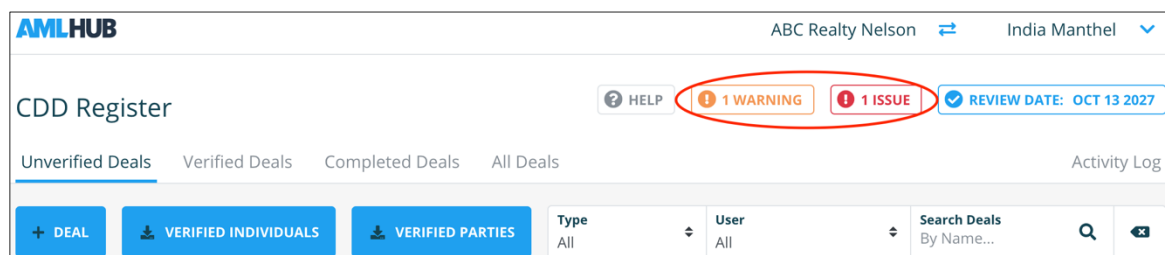
Viewing a Current Exception

Through the *CDD Exceptions Register*

1. Navigate to the 'Live Exceptions' section of the CDD exceptions register.
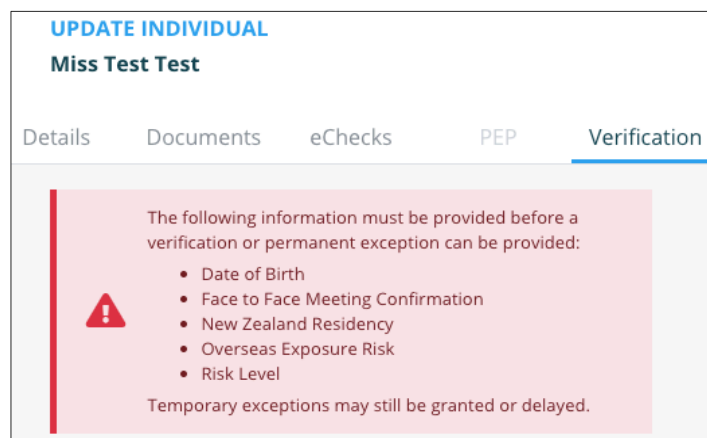
DEAL

2. Click on the rightward arrow → found under the 'Deal' field adjacent to the name of the individual. You will subsequently be redirected to the CDD register, displaying the details of the relevant deal.

3. Look for the individual with an exception. Click on the ⊙ icon, displayed to the left of the individual's name. You will be taken to the 'Verification' tab of the 'Update Individual' page.

4. Details of the exception will be found under this 'Verification' tab.

Through the *CDD Register*

1. Locate the deal containing the individual with the exception by typing the address of the deal in the 'Search Deals' field.

2. Click on the deal to bring up its structure.

3. Look for the individual with an exception. Click on the ⊙ icon, displayed to the left of the individual's name. You will be taken to the 'Verification' tab of the 'Update Individual' page.

4. Details of the exception will be found under this 'Verification' tab.

Onboarding an Individual with Missing Information

If an individual is onboarded with missing information, the system will display the following message under the 'Verification' tab of the 'Update Individual' page. In this case, undergoing the verification process will not be possible until the listed information is present; additionally, a permanent exception is unable to be granted.
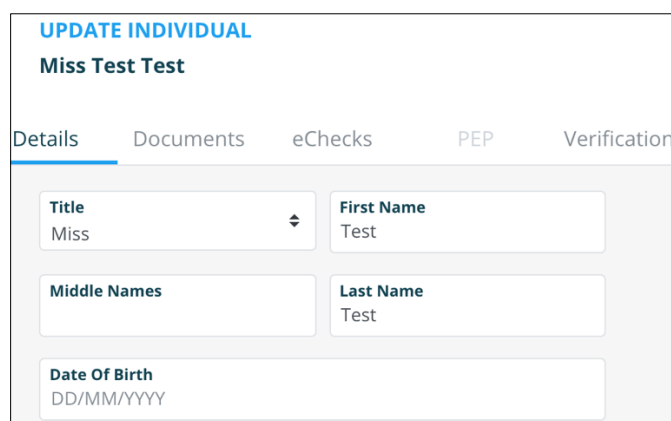
UPDATE INDIVIDUAL
Miss Test Test

| Details | Documents | eChecks | PEP | Verification |

⚠ The following information must be provided before a verification or permanent exception can be provided:
- Date of Birth
- Face to Face Meeting Confirmation
- New Zealand Residency
- Overseas Exposure Risk
- Risk Level

Temporary exceptions may still be granted or delayed.

The system, however, will allow for a temporary exception if information is missing.

Temporary Exceptions
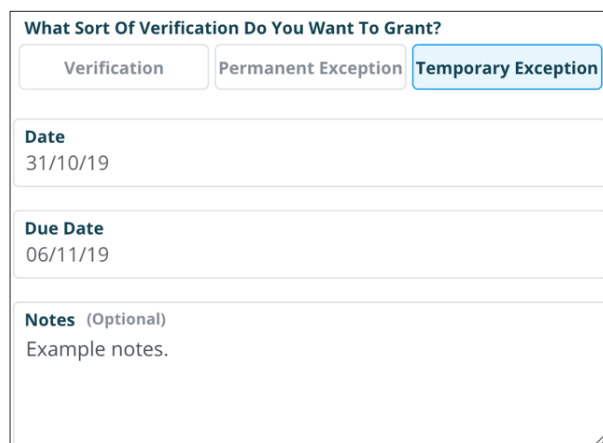
Granting a Temporary Exception

Granting a temporary exception can be done through the CDD register of the AMLHub desktop.

1. Locate the deal containing the individual who you would like to make an exception for by typing the address of the deal in the 'Search Deals' field.

2. Look for the individual you would like to make an exception for; click on the individual's name.

3. You will be taken to the 'Details' section of the 'Update Individual' page. Navigate to the 'Verification' tab.

4. Select 'Temporary Exception' from the types of verification list.

5. Enter a due date for the exception.

6. Add any relevant notes that will be useful when keeping a record of any documents missing, when they will arrive etc.
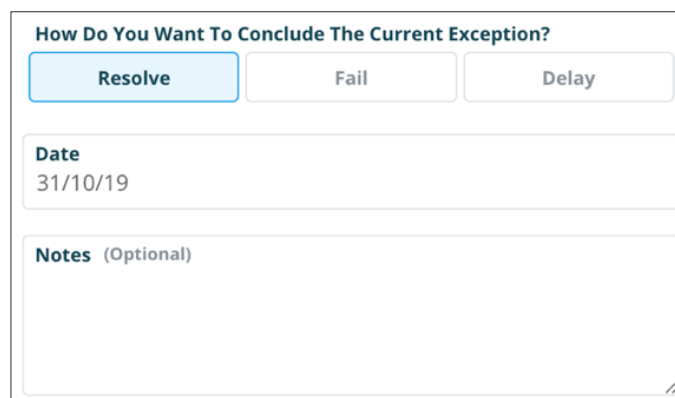
7. Click 'verify'.

8. A pop-up message will appear to signal that a temporary exception for the individual has been granted.

9. There will now be this ⬤ icon displayed to the left of the individual's name in the deal's structure.

Resolving a Temporary Exception

Resolving a temporary exception can be done through the 'Verification' tab under the 'Update Individual' page for the individual of interest.

1. Fill out any missing information listed if you are presented with a warning screen under the 'Verification' tab.

2. Select 'resolve' for how you would like to conclude the current exception.

3. Add any relevant notes that will be useful when keeping a record of the receival of missing documents, when they were received etc. Please note: these notes cannot be edited or updated once the exception has been resolved and the individual verified.

4. Click 'verify' – this resolves the temporary exception and subsequently verifies the individual.

5. A pop-up message will appear to signal the verification of the individual.

6. This resolved exception will now appear under the 'Complete Exceptions' section of the CDD exceptions register.

Delaying a Temporary Exception

Delaying a temporary exception can be done through the 'Verification' tab under the 'Update Individual' page for the individual of interest.

1. Select 'delay' for how you would like to conclude the current exception.

2. Enter a new due date for the exception.

3. Add any notes you think may be relevant when keeping an accurate and traceable record of the exception and its delay.

4. Click 'verify' – please note, this will not verify the individual.

5. A pop-up message will appear to signal a successful delay of the temporary exception's due date.

6. This delayed exception will still be found under the 'Current Exceptions' section of the CDD exceptions register.

Please note: the due date of a temporary exception is only able to be delayed once. If the exception is not resolved before this delayed due date, it will 'fail' and be moved to the 'Red List' section of the CDD exceptions register.

Failing a Temporary Exception

Failing a temporary exception can be done through the 'Verification' tab under the 'Update Individual' page for the individual of interest.

1. Fill out any missing information listed if you are presented with a warning screen under the 'Verification' tab.

2. Select 'fail' for how you would like to conclude the current exception.

3. Add any notes you think may be relevant when keeping an accurate and traceable record of the temporary exception 'failing'.

4. Click 'verify'.

5. A pop-up message will appear to signal that the temporary exception has 'failed'.

Please note: after you have clicked 'verify', the individual will appear under the structure of the deal as having been verified; this ✅ icon will be present to the left of their name. The individual will, however, be found under the 'Red List' section of the CDD exceptions register due to their temporary exception failing.

Permanent Exceptions

Granting a Permanent Exception

1. Navigate to the CDD register of the AMLHub desktop using the left-hand sidebar.

2. Locate the deal containing the individual who you would like to make an exception for by typing the address of the deal in the 'Search Deals' field.

3. Look for the individual you would like to make an exception for; click on the individual's name.

4. You will be taken to the 'Details' section of the 'Update Individual' page. Navigate to the 'Verification' tab.

5. Fill out any missing information listed if you are presented with a warning screen under the 'Verification' tab.

6. Select 'Permanent Exception' from the types of verification list.

7. If different to the current day's date, select a date for the granting of a permanent exception.

8. Add any relevant notes that will be useful when keeping an accurate and traceable record of the exception.

9. Click 'verify'.

10. A pop-up message will appear to signal that a permanent exception for the individual has been granted.

Please note: after you have clicked 'verify', the individual will appear under the structure of the deal as having been verified; this ✅ icon will be present to the left of their name. The individual will, however, be found under the 'Permanent Exceptions' section of the CDD exceptions register.