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# Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT)

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NZ introduced its Anti-Money Laundering and Financing of Terrorism Act 2009 (AML/CFT) in 2009 as it was estimated that over \$1BILLION a year from drug dealing and fraud is laundered through New Zealand Businesses.

From 1st January 2019 Real Estate agents will be required to verify the identity of their clients in accordance with AML/CFT Act 2009. This is called Customer Due Diligence (CDD).

## **Who do Real Estate agents need to complete CDD on?**

They must identify and verify:

- the client;
- each beneficial owner of the client; and
- each person acting on behalf of the client including the authority to act on behalf of the client e.g. a lawyer or representative giving instructions on someone's behalf.

## **What information will agents need to get?**

As a starting point, the following identity information must be obtained:

- the person's full name;
- the person's date of birth;
- if the person is not the client, the person's relationship to the client;
- any additional information prescribed by regulations.

This can be done several ways but not unlike the banks, they will ask to see your identity documents like your Passport, Driver Licence, utility bill etc.

## **What is the nature and purpose of the business relationship?**

- Your real estate agent is also required to get information on the nature and purpose of the proposed business relationship with you. This includes understanding what you are trying to achieve, how much business is expected, and how regular your interactions will be.

**Businesses are not doing this because they think you are laundering money – they are doing it to help protect everyone and because they are required to under the law.**

- Ministry of Justice have also provided some information, please see the below link – <https://www.keepourmoneyclean.govt.nz/>

**Please note** – If you are purchasing property you are not deemed a client of the real estate company (unless you have engaged them as a buyer's agent) however, your lawyer also has AML/CFT obligations and may need to complete CDD. We encourage all purchasers to engage early with lawyers in any sale or purchase process.