

Anti-Money Laundering Laws Applied to Law Firms



From 1 July 2018, the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“AML/CFT Act”) in New Zealand has been extended beyond banking and financial institutions and now includes lawyers, accountants, and real estate agents.

What this means for us

As an Incorporated Law Firm, we are required to comply with the AML/CFT Act. To achieve this, we have implemented a compliance programme.

For some of the services we provide, we will need to perform increased levels of Customer Due Diligence (“CDD”) before acting upon your instructions. In particular, services or activities that involve transactions through our trust account (such as settlement agreements or deeds, intellectual property ownership transactions and payment or refund of securities) are likely to necessitate increased CDD. It is however not limited to these activities, so our staff have been trained to determine when increased CDD is needed.

We are also required to undertake account monitoring, keep records, and report any unusual or suspicious transactions to comply with the AML/CFT Act.

What we may ask from you

CDD information we may request from you will include as a minimum enabling us to verify your identity and address. Additional information may also be required depending on the entity type and we may seek further details from you about directors, shareholders, trustees, and beneficiaries.

When dealing with funds for a transaction, we may also need to ask for information about the source of funds and wealth.

Even if you are an existing client of ours and we have worked with you for years, we may need to ask for new or updated identity documentation to comply with the AML/CFT Act.

To make this as straightforward as possible, we will advise you at the time of instruction if there is specific information that we require from you to satisfy the CDD obligations of the AML/CFT Act. And we will provide you with guidance so that it is clear what information and documentation is needed and from whom.

If requested, it is essential that we receive this information and documentation well in advance of any deadlines relating to the services you are engaging us for, because without it we may be unable to act for you.

More information

Our Client Charter (available on our website – [click here](#)) have been updated to reflect these changes.

If you require more information or have any questions about these new requirements please contact Kim McLeod, Director (kim.mcleod@ajpark.com) or Grace Havill, AML Compliance Officer (grace.havill@ajpark.com).