

31 October 2017

AML/CFT consultation team
Ministry of Justice
SX10088
Wellington

By email: aml@justice.govt.nz

Re: Implementation of AML/CFT Phase 2: consultation on draft Regulations (tranche 1)

The New Zealand Law Society appreciates the opportunity to comment on proposed regulations under the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act 2009 (Act).

The proposed regulations relate to the recent extension of the Act to Phase 2 reporting entities (designated non-financial businesses or professions (DNFBPs)), including lawyers. The Law Society's comments focus on the proposed draft Suspicious Activity Report and Annual Report, from the perspective of lawyers as Phase 2 DNFBP reporting entities.

General concerns, and comments on drafting issues, are set out below.

General concerns

Inadequate consultation

1. A consultation period of 11 working days is simply inadequate for the legal profession, and other affected sectors, to consider and comment meaningfully on the proposed AML/CFT reporting requirements.
2. The majority of New Zealand's 13,500 lawyers will have reporting obligations under the Act and the proposed Annual Report, in particular, will involve a considerable amount of information gathering and reporting. A rushed consultation about the draft regulations is counterproductive. It would have been better to allow sufficient time for the profession's input, to ensure the reports are fit for purpose and do not impose unnecessary compliance costs on lawyers (bearing in mind that those costs are likely to be borne ultimately by consumers of legal services).
3. The Law Society appreciates there is a short timeframe for implementation of regulations relating to Phase 2, by 1 July 2018:¹ decisions on this first tranche of regulations are due in December 2017 and

¹ Lawyers, conveyancers and trust and company service providers have the earliest implementation start date of the Phase 2 reporting sectors, of 1 July 2018. (Other sectors have later implementation dates, including accountants (1 October 2018) and real estate agents (1 January 2019)).

the regulations will be in force by February 2018.² In our view, the 1 July 2018 deadline still allowed sufficient time for proper consultation with the legal profession, and the consultation period should have been considerably longer than 11 working days.

Annual Report form – redraft required

4. The current proposed Annual Report form is a generic form, largely based on the report used by Phase 1 entities (banks, casinos and a range of financial service providers), and extended with slight modifications to cover the Phase 2 DNFBPs including lawyers. This ‘one size fits all’ approach is evident in the proposed Annual Report, which includes questions and information not relevant to legal practice and which lawyers are likely to find very difficult to understand and respond to. As noted below, the proposed report is also poorly constructed, terminology is unclear in many places, and there is considerable repetition and duplication of information sought.
5. It would be far preferable to have an annual report specifically tailored to the legal sector that gathers only the information that is relevant and necessary for lawyers’ AML/CFT reporting purposes. The Law Society would be happy to work with officials on drafting an annual report designed for lawyers.
6. As it stands, the proposed Annual Report form will involve a quite onerous level of data collection for the legal profession. The first reporting year starts on 1 July 2018, and lawyers will need to have systems and software in place by then to capture a range of data not currently collected in the normal course of legal practice, for AML/CFT reporting purposes. Lawyers will need a great deal of support and guidance from the Phase 2 supervisor, the Department of Internal Affairs, and the Law Society (particularly if the form is not redrafted to be relevant to legal practice).
7. Regardless of the form used, lawyers’ AML/CFT annual reports will contain commercially sensitive information and the profession will want assurances that the information provided to the supervisor and other AML/CFT bodies will be appropriately safeguarded.

Annual Report & Suspicious Activity Report – points of clarification

8. The draft Annual Report and Suspicious Activity Report are unclear in a number of areas – see the **attached** marked-up documents for questions and points requiring clarification or rewording. These help to illustrate the point made earlier, that it would be far preferable to have an Annual Report specifically designed for lawyers and the Law Society is willing to assist in drafting that document.

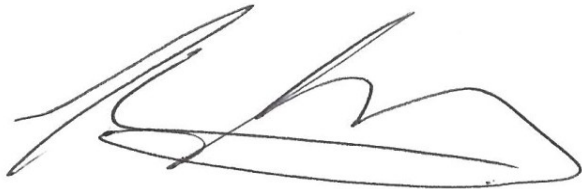
Conclusion

The Law Society will continue to work with the Ministry and DIA on preparing the legal profession for its Phase 2 AML/CFT obligations. Our focus remains on ensuring the profession is given guidance and support, so that Phase 2 is implemented as efficiently as possible and compliance costs are minimised wherever possible. Having a well-designed Annual Report form will be a critical first step towards achieving those aims.

² *Implementation of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009: Consultation Paper on Draft Regulations (Tranche 1)*, October 2017, at p3.

We look forward to the Ministry's response. Please contact the General Manager Regulatory, Mary Ollivier (mary.ollivier@lawsociety.org.nz) in the first instance.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'K. Beck', written in a cursive style.

Kathryn Beck
President

Encl (2): marked-up draft Annual Report and Suspicious Activity Report

Schedule 2A
Annual AML/CFT report by designated non-financial businesses
and professions

r 8

This form is to be completed by designated non financial businesses and professions.

Part 1

Answer **all** questions in this part.

1 Period of report

Period that this report covers: *[specify]*

Note: This is the period referred to as “during the year” or “at the end of the year” by this form.

2 Contact details

Entity registration details

2.1 The reporting entity’s legal name:

Type of entity (natural person, company, partnership, other legal person, trust):

Registered or company incorporation number, or equivalent (if applicable):

Trading name(s) (if different from legal name):

Physical address

2.2 Street name and number:

Suburb/town:

City:

Postcode:

Postal address (if different from physical address)

2.3 Suburb/town and number or PO Box:

City:

Postcode:

Other contact details

2.4 Your reporting entity’s AML/CFT compliance officer (full name):

Your reporting entity’s AML/CFT contact email address (if available):

Your reporting entity’s AML/CFT contact telephone number (if available):

Your reporting entity’s Website (if available):

2.5 About your organisation (tick box or boxes)

What sector(s) best describe your business services?

- accountancy:
- bookkeeping:
- barrister sole:
- barrister and solicitor:
- conveyancer:
- real estate agent:
- trust and company service provider:
- other *[please specify]*.

3 Organisation structure

- 3.1 Is your reporting entity a branch or a subsidiary of an offshore parent? Yes/No If yes, specify: *[branch/subsidiary]*
- 3.2 In what country is your largest owner based? *[country]* (or, where is your parent's head office, if applicable)
- 3.3 How many people work for your reporting entity?
- 3.4 Number of physical branch office locations in New Zealand (exclude agent's office locations). If none, record nil: *[number/nil]*
- 3.5 Number of New Zealand subsidiaries (or nil): *[number/nil/unknown]*
- 3.6 If known, number of physical branch office locations outside New Zealand (or nil): *[number/nil]*
- 3.7 Number of subsidiaries located or incorporated outside New Zealand (or nil): *[number/nil]*

Part 2

Answer **all relevant** questions.

Note: A member of a designated business group (DBG) can rely on another member to carry out some obligations on their behalf, as set out in section 32 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the **Act**). These include risk assessments, parts of an AML/CFT Programme, and making suspicious activity reports or prescribed transaction reports. If you are a member of a DBG you may allow another member to answer this Part on your behalf. However, please note that you are responsible for the information provided.

Are you a member of a DBG? *Yes *No (complete Part 2 and rest of this form as applicable)

If yes, are you completing Part 2?

Commented [VS1]: It appears that Q2.5 is intended to reflect the definition of 'designated non-financial business or profession', which includes 'law firm' – defined to mean (a) a barrister or barrister and solicitor practising on own account in sole practice, (b) barristers and solicitors practising law in partnership, (c) an incorporated law firm (see s5, Anti-Money Laundering and Countering Financing of Terrorism Amendment Act 2017).

Currently only definition (a) is covered; the options should also include (b) 'law firm partnership' and (c) 'incorporated law firm'. As an alternative, there could simply be a global category (legal/law firm).

Commented [VS2]: Questions 3.1, 3.2, 3.5, 3.6 and 3.7 are not relevant to lawyers. "Not applicable" should be added as an option.

*Yes

*No

**Are you completing subpart 2 on behalf of
the DBG? *Yes/No**

Legal name of DBG reporting entity
completing Part 2 for you

Then leave Part 2 blank and go to Part 3.
You are required to answer all other parts
of this form

*Select one.

4 AML/CFT risk assessment

4.1 Does your risk assessment meet the requirements of section 58 of the Act? Meets
all/Meets some/Meets none*

*Select one.

4.2 If your risk assessment meets only some of the requirements of section 58 of the
Act, please list all subsections that it is not fully compliant with (eg, sections 58(1),
58(2)(a)-(h), 58(3)(a)-(c)). (Use commas to separate each entry.) *[list]*

4.3 When was the most recent internal review of the risk assessment completed?
[date]

4.4 Has the risk assessment been independently audited?

Yes/No*

*Select one.

4.5 If yes to 4.4, when was the most recent audit of the risk assessment completed?
[date]

4.6 If yes to 4.4, did the most recent audit of the risk assessment highlight any defi-
ciencies?

Yes/No*

*Select one.

4.7 If yes to 4.4 and 4.6, have you made the changes identified as being necessary in
the most recent audit?

Yes, complete/Not yet complete*

*Select one.

4.8 During the year, did you make available a new activity regulated by the Act (eg, a
new product, service, or channel)?

Yes/No*

*Select one.

-
- 4.9 If yes to 4.8, before making this activity available, did you assess the ML/TF risk?
Yes/No*
*Select one.
- 5 AML/CFT programme**
- 5.1 Does your AML/CFT programme meet the requirements of section 57 of the Act?
Meets all/Meets some/Meets none*
*Select one.
- 5.2 If your AML/CFT programme meets only some of the requirements of section 57 of the Act, please list all paragraphs that it is not fully compliant with. Use commas to separate each entry: *[list relevant paragraphs from section 57(a) to (l)]*
- 5.3 When was the most recent internal review of the programme completed? *[date]*
- 5.4 Has the programme been independently audited?
Yes/No*
*Select one.
- 5.5 If yes to 5.4, when was the most recent audit of the programme completed? *[date]*
- 5.6 If yes to 5.4, did the most recent audit of the programme highlight any deficiencies?
Yes/No*
*Select one.
- 5.7 If yes to 5.4 and 5.6, have you made the changes identified as being necessary in the most recent audit?
Yes, complete/Not yet complete*
*Select one.
- 5.8 Do you have procedures to identify and verify the identity of—
- (a) a new customer (including the customer's beneficial owners or any person acting on behalf of a customer)?
Yes/No*
*Select one.
- (b) a person seeking to conduct an occasional transaction through your reporting entity?
Yes/No*

*Select one.

- (c) an existing customer, according to the level of risk involved, if there has been a material change in the nature or purpose of the business relationship and your reporting entity considers that it has insufficient information about the customer?

Yes/No*

*Select one.

- 5.9 Do you have exception handling procedures for issues related to customer due diligence (CDD) (eg, clause 4 of the Amended Identity Verification Code of Practice 2013)?

Yes/No*

*Select one.

- 5.10 Outside a DBG, do you outsource any CDD requirements to third parties (as set out in sections 32 to 34 of the Act)?

Yes/No*

*Select one.

- 5.11 Do you use electronic processes to fulfil the statutory requirement to monitor accounts as required under section 31 of the Act?

Yes/No*

*Select one.

Part 3

Answer all questions in this subpart.

A Products and services

- 6.1 Do you act as a formation agent of legal persons or arrangements?

Yes/No*

*Select one.

If yes, please estimate how many of the following you have formed in the last year [estimate number]:

Companies:

Trusts (excluding charitable trusts):

Partnerships (including limited partnerships):

Charities (including charitable trusts and other charitable entities):

Other [specify].

Commented [VS3]: What are "exception handling procedures"? And more clarity/guidance is needed about what constitute "issues" with CDD. (for example, that the reporting entity needs to have a risk-based plan in place if they are unable to complete CDD because no standard verification method is available)

Commented [VS4]: There will need to be strict confidentiality provisions around the annual report, given that commercially sensitive information is requested by Part 3.

6.2 Do you act or arrange for a person to act as, a nominee director or nominee shareholder or trustee in relation to legal persons or legal arrangements?

Yes/No*

*Select one.

If yes, please estimate the number of nominee directorship roles your firm holds.

If yes, please estimate the number of nominee shareholder roles your firm holds.

If yes, please estimate the number of trustee roles your firm holds.

6.3 Do you provide a registered office or a business address, a correspondence address, or an administrative address for a company, or a partnership, or for any other legal person or arrangement?**.

Yes/No*

*Select one.

**Unless the office or address is provided solely as an ancillary service to the provision of other services.

6.4 Do you manage client funds (other than sums paid as fees for professional services), accounts, securities, or other assets?

Yes/No*

*Select one.

If yes, please estimate the value of funds managed.

6.5 Do you provide real estate agency work (within the meaning of section 4(1) of the Real Estate Agents Act 2008) to effect a transaction (within the meaning of section 4(1) of the Real Estate Agents Act 2008)?

Yes/No*

*Select one.

6.6 Do you engage in or give instructions on behalf of a customer to another person for any of the services listed:

Please tick where applicable

	Engage in	Give instructions
• any conveyancing (within the meaning of section 6 of the Lawyers and Conveyancers Act 2006) to effect a transaction (within the meaning of section 4(1) of the Real Estate Agents Act 2008):	<input type="checkbox"/>	<input type="checkbox"/>
• a transaction (within the meaning of	<input type="checkbox"/>	<input type="checkbox"/>

Commented [VS5]: "Managing" client funds is not clear terminology if referring (as appears to be the case) to funds in a lawyer's trust account; cf the Lawyers and Conveyancers Act 2006 refers to money "held" in trust accounts. Does the concept of 'managing' contemplate something more 'active' than holding client funds to be paid out as a client directs (which is a lawyer's primary mode of dealing with client funds)?

Commented [VS6]: At which point in time during the reporting year? Or is this intended to be a cumulative total of all funds "managed" (or held) in the trust account over the entire year?

Commented [VS7]: Commas should be inserted so that this phrase makes sense: "Do you engage in, or give instructions on behalf of a customer to another person for, any of the services listed"

**Anti-Money Laundering and Countering Financing of
Terrorism (Requirements and Compliance) Amendment
Regulations 2017**

Schedule 2

- section 4(1) of the Real Estate Agents Act 2008):
- the transfer of a beneficial interest in land or other real property:
 - a transaction on behalf of any person in relation to the buying, transferring, or selling of a business or legal person (for example, a company) or any other legal arrangement:
 - a transaction on behalf of a customer in relation to creating, operating, and managing a legal person (for example, a company) or any other legal arrangement; and
 - please estimate the total value of the services listed above (excluding your professional fees) for the last year. NZ\$

Commented [VS8]: Presumably the “total value of services” means the transactions themselves (since professional fees are explicitly excluded)?

B Financial institution activities

6.7 Do you provide any of the following activities:

Please tick where applicable

- accepting deposits or other repayable funds from the public:
- lending to or for a customer, including consumer credit, mortgage credit, factoring (with or without recourse), and financing of commercial transactions (including forfeiting):
- financial leasing (excluding financial leasing arrangements in relation to consumer products):
- transferring money or value for, or on behalf of, a customer:
- undertaking financial guarantees and commitments: trading for, or on behalf of, a customer in any of the following using the person’s account or the customer’s account:
 - money market instruments (for example, cheques, bills, certificates of deposit, or derivatives):
 - foreign exchange:
 - exchange, interest rate, or index instruments:

Commented [VS9]: We understand Q6.7 is a hangover from the Phase 1 annual report form and is intended, as its heading indicates, only for financial institutions. Q6.7 as currently drafted is likely to cause confusion, since only 3 of the 11 activities listed appear to apply to lawyers in the normal course of legal practice: namely, “transferring money ... for, or on behalf of, a customer”, “safe keeping or administering of cash ... on behalf of other persons”, or “investing, administering, or managing funds or money on behalf of other persons”.

- transferable securities:
- commodity futures trading:
- participating in securities issues and the provision of financial services related to those issues:
- managing individual or collective portfolios:
- safe keeping or administering of cash or liquid securities on behalf of other persons:
- investing, administering, or managing funds or money on behalf of other persons:
- issuing, or undertaking liability under, life insurance policies as an insurer.

C Supplementary questions

6.8 Do you accept cash (physical currency or bearer negotiable instruments)?

Yes/No*

*Select one.

If yes, estimate what percentage of your business involves cash.

6.9 Do you send/receive funds from other countries?

Yes/No*

*Select one.

If yes, estimate total value of transactions for the past year.

Please list, from Part 6 subparts A-C, your top 3 products and/or services from 1-3

1 *[Select from drop down list]*

2 *[Select from drop down list]*

3 *[Select from drop down list]*

7 Customers/members

7.1 In the past year, have you dealt with any of the following customer (including client) types?

- New Zealand resident individuals *[number]*?
- non-resident individuals *[number]*?
- New Zealand resident entities (including companies, partnerships, trusts, charities and incorporated/unincorporated entities) *[number]*?
- non-resident entities (including companies, partnerships, trusts, charities and incorporated/unincorporated entities) *[number]*?

Commented [VS10]: Is this a typo? (it presumably should read "Part 3")

Commented [VS11]: As noted above, this information would be relevant for financial institutions - but it is not a question that lawyers will be well placed to answer.

Commented [VS12]: The information required for Qs 7.1-7.7 is extensive, and onerous. Most law firms will not currently collect the range of information required for Qs 7.1-7.7.

Commented [VS13]: "Members" appears to be redundant (it does not appear in Qs 7.1-7.7).

Commented [VS14]: Need to clarify the meaning of "dealt with" – namely, that the information sought about clients/new business relationships only relates to those relevant to activities captured under the AML/CFT regime (services provided or client inquiries that might give rise to a Suspicious Activity Report).

Commented [VS15]: Q7.1 should ask for estimates, not numbers. Banks etc may have IT systems capable of capturing this type of business information about customers, but it is unlikely that lawyers (particularly the smaller firms and sole practitioners) will be able to answer these questions accurately.

- overseas government bodies [number]?
 - other (if selected, specify the type of customer/client in the space provided [number]?)
- 7.2 Estimate how many customers are **currently held** by your reporting entity [number]?
- 7.3 Estimate how many new **business relationships** your reporting entity established in the last year?
- 7.4 Estimate how many customers (question 7.1 above) are classified as politically exposed persons (**PEP**)? (Include your customers that are beneficially owned, controlled by, or for the benefit of a PEP.) [number]?
- 7.5 Estimate how many customers (question 7.1 above) are a trust or another vehicle for holding personal assets? [number]?
- 7.6 Estimate how many customers (*refer* question 7.1 above) are **non-residents**? [number]?
- 7.7 Please list the top 5 countries (from high to low in descending order), based on where your non-resident customers are located?

8 **Channels**

- 8.1 Indicate the proportion of your new customers who requested activities caught by the AML/CFT Act and were subject to customer due diligence (using the following methods of acceptance) during **your most recent full financial year**:

(Indicate from 1-5 which is the most common acceptance method for you)

How do you meet your customers (including clients)?

1. Face-to-face (over the counter, other than intermediaries)

(Indicate from 1-5 which is the most common acceptance method for you)

How do you meet your customers (including clients)?

2. Non face-to-face (including electronic, telephone, post, and all other types of remote access—other than intermediaries)
3. Domestic intermediaries/agents/third-party referral (exclude your reporting entity's employees)

Commented [VS16]: At which point in time during the reporting year?

Commented [VS17]: This is odd terminology – it is presumably a hangover from the Phase 1 annual report (for banks etc). Better terminology for lawyers would be “how many clients have you acted for during the reporting year”.

Commented [VS18]: “Business relationship” is defined in the Act (s5). A more meaningful question for lawyers would be “how many new instructions (from current and new clients) have you received during the reporting year”.

Commented [VS19]: This appears to duplicate Q7.1.

Commented [VS20]: We understand this terminology relates to Phase 1 entities. “Clients” would be a preferable heading.

Commented [VS21]: The reporting entity's financial year may well be different to the AML/CFT reporting year. There is no value in introducing a different time period. This should be changed to read “during the reporting year”.

**Anti-Money Laundering and Countering Financing of
Terrorism (Requirements and Compliance) Amendment
Regulations 2017**

Schedule 2

4. Overseas intermediaries/agents/third-party referral (exclude your

reporting entity's employees who are acting as advisors working
outside the main offices)
5. Other [please specify]

Total

Part 4

Answer **all** questions from your relevant AML/CFT supervisor, which is the Department of Internal Affairs

9 Sector-specific questions

All DNFBPs

- 9.1 Do you incorporate companies; form trusts and other legal structure or arrangements in overseas jurisdictions (outside NZ)?
Yes/No*
*Select one.
- 9.2 If 9.1 above is yes, specify all countries. *[Select from drop down list] Transactions*
- 9.3 Do you handle the receipt and transmission of client money?
Yes/No*
*Select one.
- 9.4 Do you manage client's bank accounts?
Yes/No*
*Select one.
- 9.5 For your clients who are overseas corporations with shares in bearer form, do your policies provide for maintaining the physical control of those bearer- shares to ensure that ownership of the corporate entity does not change without your knowledge?
Yes/No*
*Select one.
- 9.6 Do you provide services to other DNFBPs in NZ?
Yes/No*
*Select one.
- 9.7 Do you provide services to the other DNFBP equivalents located overseas?
Yes/No*

Commented [VS22]: Part 4 contains substantial duplication with earlier sections. We understand this is deliberate and is intended as a cross-check (particularly for reporting entities identified as operating in high risk areas). However it would still be helpful to streamline Part 4 to exclude unnecessary duplication.

**Anti-Money Laundering and Countering Financing of
Terrorism (Requirements and Compliance) Amendment
Regulations 2017**

Schedule 2

*Select one.

9.8 Do you use intermediaries/agents within New Zealand?

Yes/No*

*Select one.

9.9 Do you use intermediaries/agents based overseas?

Yes/No*

*Select one.

9.10 If yes to 9.9 please list the overseas countries your intermediaries are based in.

Yes/No*

*Select one.

Real estate agent and conveyancing services questions

9.11 Have you received cash as part of a real estate transaction?

Yes/No*

*Select one.

If so, how often in the last year?

How much?

9.12 Are you providing residential sales and services? (eg, people buying homes)

Yes/No*

*Select one.

9.13 Are you providing commercial or business investment services?

Yes/No*

*Select one.

If yes to both 9.12 and 9.13 what is the estimated split?

9.14 Do you use intermediaries/agents within New Zealand?

Yes/No*

*Select one.

9.15 Do you use intermediaries/agents based overseas?

Yes/No*

*Select one.

If yes to 9.15 please list the overseas countries your intermediaries are based in.

Commented [VS23]: It is not clear who would fall into the category of an "intermediary" or "agent" for the purposes of Qs 9.8 – 9.10.

Explanatory note

Part 5

10 Conditions of ministerial exemption

10.1 Have you been granted any ministerial exemption that is subject to conditions?
Yes/No*

*Select one.

10.2 Please provide a description of your compliance with all conditions on any such exemption.

Part 6

Answer **all** questions

Your notes here: *[notes]*

Declaration and signature

I confirm that I have the authority to submit this report on behalf of the reporting entity. I have reviewed the answers and information and I confirm that I am satisfied that, to the best of my knowledge, after undertaking all reasonable inquiries, all answers are true and correct.

A reminder: "A person commits an offence if, without reasonable excuse, the person provides information to an AML/CFT supervisor knowing that information to be false or misleading in any material respect". (See section 103 of the Act.)

Date signed:

Signature:

Full name:

Position/Job Title:

Clerk of the Executive Council.

Schedule 1

Details to be contained in suspicious activity report

r 10

1. General:
 - (a) signature of person authorised by the reporting entity to sign the suspicious activity report (the SAR) (unless the report is forwarded by email or another similar means of communication):
 - (b) name of person authorised by the reporting entity to sign the SAR:
 - (c) name of reporting entity:
 - (d) business address of reporting entity:
 - (e) name of the reporting entity's AML/CFT supervisor:
 - (f) the reporting entity's internal reference numbering for the suspicious activity report (if any):
 - (g) statement of the grounds on which the reporting entity holds the suspicions referred to in section 39A of the Act:
 - (h) any indicators of suspicious activity identified by the reporting entity.

 2. For each suspicious activity:
 - (a) branch or location where the transaction or service took place or was proposed to take place or an inquiry about the service was made:
 - (b) date and time of transaction or service or proposed transaction or service or inquiry about service:

For each transaction or proposed transaction:

 - (c) mode of transaction or proposed transaction (eg, in person, electronic):
 - (d) type of funds (eg, cash, cheque, securities, deposit, casino chip):
 - (e) amount of transaction in NZD:

For each service or proposed service or service that is the subject of an inquiry

 - (f) description of the service or proposed service or service inquired about.
-
3. Indicate whether any of the following types of documents are held by the reporting entity (or DBG member) relevant to the grounds for suspicion [tick boxes]:
 - identity documents (for customers, people acting on behalf of customers, and beneficial owners of customers):
 - transactional documents:

**Anti-Money Laundering and Countering Financing of
Terrorism (Requirements and Compliance) Amendment
Regulations 2017**

Schedule 1

-
- company, charity, trust or partnership formation documents:
 - other.
4. For each customer conducting or seeking to conduct a transaction or proposed transaction, or service or proposed service, or making an inquiry about a service, or for each person acting on behalf of any such customer:
- (a) name:
 - (b) date of birth (if applicable):
 - (c) if not the customer, the person's relationship to the customer:
 - (d) address or registered office:
 - (e) company identifier or registration number (if applicable):
 - (f) whether the customer is a politically exposed person:
 - (g) source of wealth or funds of customer (if applicable):
 - (h) details of any relevant documents or other evidence that may be used to verify the identity of the person and the person's authority to act on behalf of the customer (if applicable):
 - (i) information on the proposed nature and purpose of the business relationship or proposed business relationship between the reporting entity and customer (if applicable).
5. Any beneficial owners of a customer (if applicable):
- (a) name:
 - (b) date of birth:
 - (c) person's relationship to the customer:
 - (d) address:
 - (e) whether the beneficial owner is a politically exposed person:
 - (f) details of any relevant documents or other evidence that may be used to verify the identity of a beneficial owner (if applicable).
6. Details for each customer that is a trust (if applicable):
- (a) where the customer is a trust other than a trust specified in paragraph (b), the name and date of birth of each beneficiary of the trust:
 - (b) in relation to a discretionary trust, charitable trust, or trust with more than 10 beneficiaries, a description of each type or class of beneficiary:
 - (c) the objects of any charitable trust.

7. Details of wire transfers (if applicable); information in paragraphs (a) to (c) is to be provided where reporting entity is the ordering institution:
- (a) if the transaction or proposed transaction is a domestic wire transfer or involves a domestic wire transfer, the originator's account number or any other information that enables the transaction itself to be identified and traced to the originator:
 - (b) if the transaction or proposed transaction is not a domestic wire transfer,—
 - (i) originator's full name:
 - (ii) originator's account number or other identifying information that is prescribed and that allows the transaction to be traced back to the originator:
 - (iii) name of the beneficiary:
 - (iv) beneficiary's account number or the beneficiary's unique transaction reference number:
 - (v) country where the account is held:
 - (c) one of the following:
 - (i) originator's physical address:
 - (ii) originator's national identity number:
 - (iii) originator's customer identification number:
 - (iv) originator's place and date of birth:
 - (d) information to be provided where reporting entity is the beneficiary institution:
 - (i) beneficiary's full name; and
 - (ii) beneficiary's date of birth; and
 - (iii) beneficiary's address.
8. For each account or arrangement involved in a transaction or proposed transaction:
- (a) if operated by the reporting entity or another member of a designated business group (DBG):
 - (i) type and identifying number of the account or arrangement:
 - (ii) for each person in whose name the account or arrangement is operated, the name, date of birth, relationship to customer (if applicable), address, and the company identifier or registration number (if applicable):
 - (iii) name, date of birth, address, and relationship to customer of each signatory to the account or arrangement:
 - (b) information on any other facilities involved in the transaction but not provided by the reporting entity or another member of a DBG.

Commented [VS1]: "Beneficiary institution" as defined in s5 of the AML/CFT Act 2009, in relation to a wire transfer from an ordering institution, "... means any person who receives those funds and then makes those funds available to a person (the payee) ...". Is this "beneficiary institution" the lawyer who receives the wire transfer on behalf of a client? And if so, is the "beneficiary" name, date of birth and address required by r7(d)(i)-(iii) that of the lawyer or of the client (as the ultimate recipient of the wire transfer)?

**Anti-Money Laundering and Countering Financing of
Terrorism (Requirements and Compliance) Amendment
Regulations 2017**

Schedule 1

9. For each third party involved in a suspicious activity, to the extent not covered by 8 above, information about the third party, which is—
- (a) relevant to the suspicious activity; and
 - (b) already held by the reporting entity under the Act.