

## **WHY WE NEED TO ASK YOU FOR INFORMATION**

New Zealand has passed legislation called the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ("the AML/CFT Law" for short). The purpose of this law reflects New Zealand's commitment to the international initiative to counter the impact that criminal activity has on people and economies within the global community.

This law requires of Lawyers a number of things to help combat money laundering and the financing of terrorism, as well as helping the police bring criminals who do to justice. The AML/CFT law requires this of lawyers in particular because the services law firms offer may be attractive to those involved in criminal activity.

This law says that law firms and other professionals must assess the risk they may face from the actions of money launderers and people who finance terrorism and also must identify potentially suspicious activity.

To make that assessment, lawyers must obtain and verify information from prospective and existing clients about a range of things. This is part of what the AML/CFT law calls "customer due diligence".

### **CUSTOMER DUE DILIGENCE REQUIREMENTS**

Customer due diligence requires a law firm to undertake certain background checks before providing services to clients or customers. Lawyers must take reasonable steps to make sure the information they receive from clients is correct, and therefore need to ask for documents that show this.

We will need to obtain and verify certain information from you to meet these legal requirements. This information includes:

- your full name; and
- your date of birth; and
- your address.

To confirm these details, documents such as your driver's licence or your birth certificate, and documents that show your address - such as a rates demand or current bank statement - will be required.

These requirements will vary depending on the type of entity that our customer is.

If you are seeing us about company or trust business, we will need information about the company or trust including the people associated with it (such as directors and shareholders, trustees and beneficiaries).

We will need to ask you about the nature and purpose of the proposed work you are asking us to do for you. Information confirming the source of funds for a transaction may also be necessary to meet the legal requirements.

If you enter into an Agreement for Sale and Purchase in your own name and later nominate a Company or Trust to complete settlement, please advise us as soon as possible of the identity of the nominee. We do not presume a nomination will occur and will require sufficient time for the nominee to satisfy the Due Diligence and Nature and Purpose requirements.

The information may be made available to our auditors, the Department of Internal Affairs and the Police Financial Intelligence Unit and by instructing us to act you understand that these entities will have access to your information. While this may seem like an inconvenience, Nicholsons have no choice but to comply with this law.

Finally, please understand that we are obligated to report suspicious transactions which we suspect might involve money laundering or the financing of terrorism. We note that the provision of the required documents help us greatly in determining that the transaction is legitimate.

### **IF YOU CANNOT PROVIDE THE REQUIRED INFORMATION**

If we are not able to obtain the required information from you, it is likely we will not be able to act for you. Because this law applies to everyone, we need to ask for the information even if you have been a client of Nicholsons for a long time.

There are very limited exceptions that we can make for individual clients that are elderly and no longer have any current ID and clients that are very young and likewise don't have ID. Exemptions cannot be made for any clients holding the position of Director of a Company or as Settlor or Trustee of a Family Trust.

A refusal to act may result in you suffering losses and damages for which we accept no liability. By instructing us you accept that Nicholsons reserves the right to unilaterally terminate its retainer with you and immediately cease acting on your instructions. Nicholsons will do all it can to help but ultimately we need to be satisfied that you have provided us with all the information and supporting documents.

We will endeavor to let you know what information we need before we start working for you, and what documents you need to show us and let us photocopy when we meet.

If you have any queries or concerns, please do not hesitate to contact the lawyer undertaking your work.