

You and the money laundering law

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 is designed to help detect and deter money laundering and terrorism financing.

Under the law all banks in New Zealand are required to do more to verify a customer's identity and, in some cases, account activity.

This will help protect New Zealand from financial crime, improve our financial reputation overseas, and meet our international obligations.

How does the law affect you?

The law means all banks need to collect specific information from customers to verify their identity and address. The same goes for those acting on behalf of customers.

The law builds on previous customer identification requirements. Customers may need to provide more information about themselves than they have in the past.

From time to time, banks will need to ask existing customers if that information is still up to date.

Banks may also need to ask customers for additional information if their account activity changes over time and ask how customers intend to use their products and services.

Collecting and verifying this customer information may take a little more time than it has in the past.

Although banks and financial institutions operating in New Zealand will apply the same set of rules to customer accounts, some customers may experience slight process differences between each bank.

Customers are primarily affected when they open bank accounts, or if they want someone else to have signing authority on their account.

Customers may also be affected when sending, receiving or transferring funds.

What is money laundering and terrorism financing?

A number of serious crimes drive money laundering activity around the world. These include drug trafficking, fraud, robbery, illegal prostitution and gambling, arms trafficking, bribery and corruption.

Money laundering is the process of disguising the illegal origin of criminal profits.

Criminals use a range of methods and levels of sophistication to make money obtained from their criminal activities appear legitimate.

Terrorist groups also move funds to disguise their source, purpose and destination. Terrorism financing includes funding terrorist acts and organisations.

What does the law do?

The Anti-Money Laundering and Countering Financing of Terrorism Act requires banks to:

- Identify new customers
- Re-identify existing customers in certain circumstances
- Monitor customer transactions on an ongoing basis
- Report certain transactions and suspicious activities.

When did the law come into force?

All banks were required to comply with the Anti-Money Laundering and Countering Financing of Terrorism Act by 30 June 2013.

Do you have any concerns?

Customers should contact their bank in the first instance if they have any concerns about these requirements. The [Banking Ombudsman](#) can investigate further, if necessary.

Would you like to know more?

Banks are able to answer questions about how the law affects their customers.

Information about the Anti-Money Laundering and Countering Financing of Terrorism Act is also available at:

www.justice.govt.nz/policy/criminal-justice/aml-cft