2013/232

Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Amendment Regulations 2013

Jerry Mateparae, Governor-General

Order in Council

At Wellington this 27th day of May 2013

Present:
His Excellency the Governor-General in Council

Pursuant to sections 18(2)(f), 22(1)(e), 41(1)(b), and 153 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following regulations.

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Regulations

1 Title

These regulations are the Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Amendment Regulations 2013.

2 Commencement

These regulations come into force on 30 June 2013.

3 Principal regulations

These regulations amend the Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Regulations 2011 (the **principal regulations**).

4 Regulation 5 amended (Entities that are customers for purposes of section 18(1) of Act)

(1) Replace regulation 5(1)(a) with:

"(a) a person who holds a licence, under the Securities Trustees and Statutory Supervisors Act 2011, to be a

trustee or a statutory supervisor, when the person acts for itself:".

(2) After regulation 5(1)(e), insert:

"(f) a registered bank within the meaning of section 2(1) of the Reserve Bank of New Zealand Act 1989:

"(g) a licensed insurer within the meaning of section 6(1) of the Insurance (Prudential Supervision) Act 2010:

"(h) a company whose equity securities are listed on an overseas stock exchange that has sufficient disclosure requirements and is located in a country with sufficient anti-money laundering and countering financing of terrorism systems and measures in place."

5 New regulation 5A inserted (Enhanced customer due diligence required for certain transactions requiring suspicious transaction report)

After the cross-heading above regulation 6, insert:

"**5A Enhanced customer due diligence required for certain transactions requiring suspicious transaction report**

"(1) This regulation applies to a transaction—

"(a) that the reporting entity concerned is required to report to the Commissioner under section 40 of the Act; and

"(b) that is not otherwise exempt from the customer due diligence requirements or from all the requirements of the Act; and

"(c) that is conducted, or sought to be conducted,—

"(i) by an existing customer; or

"(ii) by a customer with whom the reporting entity has not established a business relationship, in any case where the transaction is below the applicable threshold value for an occasional transaction.

"(2) For the purposes of section 22(1)(e) of the Act, as soon as practicable after a reporting entity becomes aware that the reporting entity must report the occasional transaction under section 40 of the Act, a circumstance occurs in which the reporting entity must conduct enhanced customer due diligence in respect of that transaction."

6 Regulations 7 and 8 replaced

Replace regulations 7 and 8 with:

"**7 Other identifying information prescribed in relation to wire transfers**

"(1) Information that gives the name of the beneficiary of a wire transfer and the account number of that beneficiary or any unique transaction reference that allows the transaction to be traced is prescribed for the purposes of section 27(1)(d) of the Act.

"(2) In the case of a domestic wire transfer, any information that enables the transaction itself to be identified and traced to the originator is prescribed to be other identifying information for the purposes of section 27(2) of the Act.

"**8 Details to be contained in written suspicious transaction report**

Every written suspicious transaction report under section 40 of the Act must contain the details set out in Schedule 1.

"**9 Prescribed form for annual report under section 60 of Act**

An annual report under section 60 of the Act must be in the form set out in Schedule 2.

"**10 Prescribed form for formal warnings**

Every formal warning issued under section 80 of the Act must be in the form set out in Schedule 3."

7 Schedule replaced

Replace the Schedule with the Schedules 1 to 3 set out in the Schedule of these regulations.

Schedule r 7

New schedules

Schedule 1 r 8

Details to be contained in suspicious transaction report

1 General:
- (a) signature of person authorised by the reporting entity to sign the suspicious transaction report (the **STR**) (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 STR:
- (c) name of reporting entity:
- (d) business address of reporting entity:
- (e) name of the reporting entity's AML/CFT supervisor:
- (f) statement of the grounds on which the reporting entity holds the suspicions referred to in section 40(1)(b) of the Act.

2 For each transaction or proposed transaction:
- (a) branch or location where the transaction took place or was proposed to take place:
- (b) date and time of 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.

3 For each customer conducting or seeking to conduct a transaction, or 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):

Schedule 1—*continued*

(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 proposed business relationship between the reporting entity and customer (if applicable).

4 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).

5 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.

6 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:

Schedule 1—*continued*

(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.

7 For each account or arrangement involved in the 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.

Schedule 2 r 9
Annual AML/CFT report

Form
Annual AML/CFT report
Part 1

Answer **all** questions in this Part.

1 Period of report

1.1 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:

Registered or company incorporation number (or equivalent):

FSPR number (refer to New Zealand's Financial Service Providers Register):

Registered charity number (if applicable):

Trading name(s):

Physical address

2.2 Street name and number:

Suburb/town:

City:

Postcode:

Postal address (if different from physical address)

2.3 Street name and number or PO Box:

Suburb/town:

City:

Postcode:

Other contact details

2.4 AML/CFT compliance officer (full name):

AML/CFT contact telephone number (if available):

AML/CFT email address (if available):

Website (if available):

Schedule 2—*continued*
Form—*continued*

3 Organisation structure

3.1 Is this reporting entity a branch or a subsidiary? Yes/No
If **yes**, specify: [*branch/subsidiary*]

3.2 In what country is your largest owner based? [*country*]

3.3 Number of physical branch locations in New Zealand (exclude agent's office locations. If none, record nil): [*number/nil*]

3.4 Number of New Zealand subsidiaries (or nil): [*number/nil*]

3.5 Number of branches outside New Zealand (or nil): [*number/nil*]

3.6 Number of subsidiaries 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 **AML/CFT Act 2009**). These include risk assessments and parts of an AML/CFT Programme. 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. If you are eligible, use the Notes in Part 6 of this form to state this, together with the legal name and registered number of the member answering this Part on your behalf. Then leave this Part blank and go to Part 3. You are required to answer all other parts of this form.

4 AML/CFT risk assessment

4.1 Does your risk assessment meet the requirements of section 58 of the AML/CFT Act 2009?
Meets all/Meets some/Meets none*
*Select one.

4.2 If your risk assessment does not meet all of the requirements of section 58 of the AML/CFT Act 2009, please list all sub-

Schedule 2—*continued*
Form—*continued*

sections 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 Is a procedure in place for an independent audit of the risk assessment every 2 years?

Yes/No*

*Select one.

4.4 When was the most recent review of the risk assessment completed? [*date*]

4.5 When was the most recent audit of the risk assessment completed? [*date*]

4.6 Did an audit of your risk assessment (conducted since your last annual report) highlight any deficiencies?

Yes/No*

*Select one.

4.7 Have you made the changes identified in the most recent audit as being necessary?

Not applicable†/Yes, complete/Not yet complete*

*Select one.

†Do not select "not applicable" if you have answered Yes to question 4.6 above.

4.8 Before making a product, service, or channel available, is there a process to assess the AML/CFT risk (eg, new or developing technologies, products that favour anonymity)?

Yes/No*

*Select one.

5 AML/CFT programme

5.1 Does your AML/CFT programme meet the requirements of section 57 of the AML/CFT Act 2009?

Meets all/Meets some/Meets none*

*Select one.

Schedule 2—*continued*
Form—*continued*

5.2 If your AML/CFT programme does not meet all the requirements of section 57 of the AML/CFT Act 2009, 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 Is a procedure in place for an independent audit of the AML/CFT programme every 2 years?

Yes/No*

*Select one.

5.4 When was the most recent review of the AML/CFT programme completed? [*date*]

5.5 When was the most recent audit of the AML/CFT programme completed? [*date*]

5.6 Did an audit of your AML/CFT programme (conducted since your last annual report) highlight any deficiencies?

Yes/No*

*Select one.

5.7 Have you made the changes identified as being necessary in the latest audit?

Not applicable†/Yes, complete/Not yet complete*

*Select one.

†Do not select "not applicable" if you have answered yes to question 5.6 above.

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.

Schedule 2—*continued*
Form—*continued*

(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 Identity Verification Code of Practice 2011)?

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 AML/CFT Act 2009)?

Yes/No*

*Select one.

5.11 Are your reporting entity's AML/CFT transaction monitoring processes best described as electronic, manual, or a combination of both?

Electronic/Manual/Electronic and Manual*

*Select one.

Part 3

Answer **all** questions in this Part.

6 Products and services

6.1 Estimate the value and number of all transactions settled by your reporting entity during the year. Add the number of receipts and payments together, record the total number, and repeat for value—

Gross number of transactions: [*number*]

Schedule 2—*continued*
Form—*continued*

Gross value of transactions (NZD): $[*amount*]

6.2 If your reporting entity offers the products and services listed in the table below, enter "yes" and estimate the proportion of annual revenue of your business during the year:

	Products and services	Yes/No	Estimate percent of annual revenue of your business (%)
	Domestic		
1	Domestic account and deposit taking services		
2	Domestic lending (excluding residential mortgages and motor vehicle finance)		
3	Residential mortgage lending		
4	Motor vehicle finance		
5	Debt instrument/bonds		
6	Finance and leasing		
7	Government/specialist finance and leasing		
8	Domestic wire transfer/electronic funds transfer services		
	International		
9	International wire transfer/electronic funds transfer services		
10	International mobile telephone transfer services		
11	Forex trading and multi-currency and foreign currency accounts		
12	Foreign currency/money exchange services		
13	Issuing travellers cheques and bearer negotiable instruments		
14	Cashing travellers cheques and bearer negotiable instruments		

Schedule 2—*continued*
Form—*continued*

	Products and services	Yes/No	Estimate percent of annual revenue of your business (%)
15	International correspondent banking		
16	Trade finance and related bonds/guarantees, forfeiting, and export/import finance		
	Trust and company service providers (TCSPs)		
17	Company formation		
18	Trust formation		
19	Provider of office services (including registered address, virtual office, serviced offices, and phone/mail forwarding)		
20	Nominee director/company secretary services/partner services		
21	Nominee shareholder services		
22	Professional trustee services		
	Providing services and advice		
23	Debt collection		
24	Factoring services		
25	Cash transport or courier services		
26	Safe deposit boxes, cash storage		
27	Payroll remittance services		
28	Securities registry duties and other fiduciary duties associated with securities/debt issuance		
	Cash and card services		
29	Credit cards (as card issuer only)		
30	Credit cards (all other roles)		
31	Card merchant facilities		

Schedule 2—*continued*
Form—*continued*

	Products and services	Yes/No	Estimate percent of annual revenue of your business (%)
32	Cash transactions (excluding ATM withdrawals, foreign currency)		
33	Stored value instruments/cards		
	Investing		
34	Sharebroking		
35	Futures and options		
36	Other derivatives		
37	Brokers' cash management accounts		
38	Funds management and administration of retail and wholesale funds (other than superannuation and KiwiSaver funds but including all other funds—unit trusts, WRAPS, PIE, index funds, hedge funds, etc)		
39	Fund management of retail and wholesale superannuation and KiwiSaver funds		
40	Financial planning		
41	Financial advice		
42	Custodian services		
43	Registry services		
44	Estate administration		
45	Treasury functions (including services provided between related entities)		
46	Issuer of securities to the public		
	Life insurance		
47	Term life insurance		

Schedule 2—*continued*
Form—*continued*

	Products and services	Yes/No	Estimate percent of annual revenue of your business (%)
48	Permanent (whole life, universal, limited-pay, endowment, accidental death)		
49	Other life-related products and services associated with annuities, surrender options, etc)		
50	Reinsurance associated with life insurance		
	Casinos		
51	Conducting electronic international money transfers in		
52	Conducting electronic international money transfers out		
53	Conducting electronic domestic money transfers in		
54	Conducting electronic domestic money transfers out		
55	Foreign currency exchange in (including travellers cheques and cash)		
56	Foreign currency exchange out		
57	Cash take from table games (including chip purchase vouchers)		
58	Cash take from electronic gaming machines (including tickets/tokens)		
59	Do you have foreign holding accounts?		n/a
60	If **yes**, specify number [*number*]		
61	Do you have domestic casino operating accounts?		n/a

Schedule 2—*continued*
Form—*continued*

	Products and services	Yes/No	Estimate percent of annual revenue of your business (%)
62	If **yes**, specify number and locations [*number, locations*]		
63	Do you have cheque cashing facilities?		n/a
64	If **yes**, specify number during the year and average value [*number, average value*]		
65	Do you offer stored value instruments? (do not include casino chips)		
66	If **yes**, what sort of stored value instrument is it? [*describe*]		n/a
67	What estimated percentage of your gambling activity utilises stored value instruments?		
68	Debit/credit card facilities out (exclude food and beverage purchases)		
69	Cheque in		
70	Cheque out		
	Other		
71	Loyalty schemes provided, e-cash, and virtual credit provided		
72	Auction house		
73	Online auctions		
74	Other relevant products/services (and list these in notes in Part 6, together with estimates)		
	Total		100

7 Customers/members

7.1 Estimate the number of customers your reporting entity had a business relationship with during the year: [*number*]

Schedule 2—*continued*
Form—*continued*

7.2 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*]

7.3 How many customers (question 7.1 above) are trusts or other vehicles for holding personal assets? [*number*]

7.4 How many customers *(refer* question 7.1 above) are non-residents? [*number*]

7.5 If customers are non-residents, estimate percentages as at the end of the year [*%*]:

	Types of customer	**Estimate percentages as at end of the year for: (%)**
1	New Zealand resident individuals	
2	Non-resident individuals	
3	New Zealand resident entities (including companies, partnerships, trusts, charities, and incorporated/ unincorporated entities)	
4	Non-resident entities (including companies, partnerships, trusts, charities, and incorporated/ unincorporated entities)	
5	Overseas government bodies (or similar)	
6	Other (and list these types in the notes section in Part 6)	
	Total	100

8 Channels

8.1 Estimate the proportion of your new customers who were accepted via the following methods during the year:

	Methods of acceptance	**%**
1	Face-to-face (over the counter, other than intermediaries)	
2	Non face-to-face (including electronic, telephone, post, and all other types of remote access—other than intermediaries)	

Schedule 2—*continued*
Form—*continued*

3	Domestic intermediaries/agents/third-party referral (excluding employees acting as advisers working outside of main offices)	
4	Overseas intermediaries/agents/third-party referral (excluding employees acting as advisers working outside of main offices)	
5	Other	
	Total	100

Part 4

Answer **all** questions from your relevant AML/CFT supervisor, which is —

- the Reserve Bank of New Zealand; or
- the Department of Internal Affairs; or
- the Financial Markets Authority.

9 Questions from Reserve Bank of New Zealand

Institutions that your reporting entity deals with

9.1 For this section,—

(a) count the number of relationships you have, according to the 4 types stated in the table in question 9.2; and

(b) use your own country risk assessment document to categorise these relationships into the 3 categories stated in the table in question 9.2; and

(c) record the version and date of your country risk assessment in the notes to Part 6.

9.2 Count your relationships with all entities for the purpose of establishing accounts, authenticating instructions, and providing payment or other clearing-related services and provide the results in the following table:

Schedule 2—*continued*
Form—*continued*

		Lower-risk or medium-risk countries	Higher-risk countries	Other/un-known-risk countries
RB 1	Correspondent banking relationships (cross-border only)			
RB 2	Other respondents (including partial-SWIFT key/RMA, telex and all alternative and non-electronic channels) (domestic and cross-border)			
RB 3	Relationships where there is a written agreement (ie, lending syndication, card payment programme, mobile banking, etc)			
RB 4	Other relationships relevant to the delivery of products and services			

Transactions

9.3 Using your answers to the question in 6, estimate the gross value and number of transactions settled during the year for the following (add all receipts and record the total):

		Number	Value ($)
RB 5	Domestic (New Zealand) receipts and payments		
RB 6	International receipts and payments		

10 Questions from Financial Markets Authority

10.1 Identify which sub-sector your reporting entity belongs to:

trustee corporation/futures dealer/collective investment scheme manager/broker/authorised financial adviser/issuer of securities*

*Select one.

Schedule 2—*continued*
Form—*continued*

10.2 Refer to your previous answer to question 7.4 ("how many of your total customers are non-resident customers?"). List the top 5 countries (high to low in descending order) according to where the largest numbers of your non-resident customers are: [*list*]

11 Questions from Department of Internal Affairs

Money remittance and mobile phone remittance

11.1 Name the 3 countries your business receives the most transactions from, and estimate the average monthly number of inward transactions:

	Name of country	Average monthly number of transactions ($)
1		
2		
3		

11.2 Name the 3 countries your business sends the most transactions to, and estimate the average monthly number of outward transactions:

	Name of country	Average monthly number of transactions ($)
1		
2		
3		

11.3 Do you provide the following payment methods? If **yes**, estimate the average monthly value of all transactions settled during the year (Enter nil or value):

Schedule 2—*continued*
Form—*continued*

	Total monthly average (NZD$)	Monthly $ average as an ordering institution	Monthly $ average as a beneficiary institution	Monthly $ average as an intermediary institution
Cash		n/a	n/a	n/a
Bearer negotiable instruments		n/a	n/a	n/a
Domestic wire transfers/electronic funds transfers				
Foreign wire transfers/electronic funds transfers				

Trust and company service providers (TCSPs)

11.4 Estimate the total number of clients currently on your books: [*number*]

11.5 State the number of full-time-equivalent staff you employ: [*number*]

11.6 Do you incorporate companies or form any type of entity/trust in overseas jurisdictions (outside New Zealand)?

Yes/No*

*Select one.

If **Yes**, list all countries: [*list*]

11.7 Do you handle the receipt and transmission of client money?

Yes/No*

*Select one.

11.8 Do you manage clients' bank accounts?

Yes/No*

*Select one.

11.9 For your clients that are corporations with shares in bearer form, do your policies provide for maintaining the physical

Schedule 2—*continued*
Form—*continued*

control of those bearer shares to ensure that ownership of the corporate entity does not change without your knowledge?

Yes/No*

*Select one.

Providers of safe deposit boxes

11.10 Estimate the total number of safe deposit boxes you currently have in use: [*number*]

11.11 Estimate the average number of times these boxes are accessed each month: [*number*]

Part 5

12 Conditions of ministerial exemption

12.1 Have you been granted any ministerial exemption that is subject to conditions?

Yes/No*

*Select one.

12.2 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 AML/CFT Act 2009.)

Schedule 2—*continued*
Form—*continued*

Date signed:
Signature:
Full name:
Position/Job title:

Schedule 3

r 10

Formal warning report

Form
Formal warning report

[*Date*]

To [*name and address of person or reporting entity*]

Formal warning for purposes of section 80 of Anti-Money Laundering and Countering Financing of Terrorism Act 2009

We have reasonable grounds to believe that you have engaged in conduct that constitutes a civil liability act under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the **Act**). You are required to comply with your obligations under the Act at all times.

Details of the conduct are as follows:

[*Specify details of events or actions that occurred, including dates or time periods.*]

[*Specify relevant sections of the Act or regulations.*]

The following action(s) are required to ensure compliance with the Act:

[*Specify details of action required—eg, cease action, take steps, etc. Also time period for action to be taken.*]

If you continue to engage in conduct that constitutes a civil liability act, or you do not take the actions required, civil or criminal enforcement action may be taken under the Act. This may result in (but is not limited to) the imposition of—

- civil penalties of up to $200,000, in the case of an individual, and $2 million, in the case of a body corporate; and
- criminal penalties of imprisonment for up to two years or a fine of up to $300,000, in the case of an individual, and $5 million, in the case of a body corporate.

Please note that issuing this formal warning notice to you does not affect the [*relevant AML/CFT supervisor's*] ability to consider or impose other appropriate sanctions under the Act.

If you believe the facts as stated in this notice are incorrect or incomplete, please contact us by [*date*].

Schedule 3—*continued*
Form—*continued*

Signature:
[*Name of officer from relevant AML/CFT supervisor*]
[*Name of relevant AML/CFT supervisor*]

Michael Webster,
for Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations amend the Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Regulations 2011 (the **principal regulations**). The regulations come into force on 30 June 2013, the same date on which the principal regulations come into force.

Regulation 4 amends regulation 5 of the principal regulations, which lists entities for which simplified due diligence is sufficient. The amendment adds to that list registered banks, licensed insurers, and companies listed on overseas stock exchanges with sufficient disclosure requirements and located in countries with sufficient anti-money laundering and countering financing of terrorism measures. A further technical amendment updates a reference in respect of statutory supervisors and trustees.

Regulation 5 inserts a *new regulation 5A* in the principal regulations that requires enhanced due diligence to be undertaken for a transaction if a suspicious transaction report is needed for the transaction and the transaction takes place outside a business relationship and is below the applicable threshold value prescribed for an occasional transaction or if the transaction is conducted by an existing customer, that is, a person who was in a business relationship with the reporting entity immediately before 30 June 2013.

Regulation 6 replaces regulations 7 and 8 of the principal regulations with *new regulations 7 to 10.*

New regulation 7 of the principal regulations relates to wire transfers. The regulation requires an institution, before sending money electronically, to obtain the beneficiary's name and account number from the originator. The regulation also carries forward an existing provision relating to the information to be obtained for domestic wire transfers.

New regulation 8 requires suspicious transaction reports under section 40 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the **Act**) to include the details set out in Schedule 1 of the principal regulations.

New regulation 9 requires annual reports prepared by reporting entities under section 60 of the Act to be in the form set out in Schedule 2 of the principal regulations.

New regulation 10 requires formal warnings issued under section 80 of the Act to be in the form set out in Schedule 3 of the principal regulations.

Regulation 7 replaces the Schedule of the principal regulations with 3 new schedules.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 30 May 2013.
These regulations are administered by the Ministry of Justice.

Wellington, New Zealand:
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