



Anti-Money Laundering ("AML") and Customer Due Diligence ("CDD")

1. Why CDD needs to be done?

New Zealand's Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ("the Act") and regulations have been put in place to make it harder for criminals to profit from laundering money. The Act requires certain institutions who handle customer funds/money to complete customer due diligence.

2. Who may ask you to complete CDD?

For organisations in the play, active recreation and sport sector, the most likely parties to require you to complete CDD will be banks, fund managers, lawyers and accountants ("Institutions"). Generally, if an Institution is handling your money whether in a bank account or passing the funds onto a third party, they will more than likely need to complete CDD.

3. What is CDD and what to expect?

Institutions will complete CDD to establish the identity and address of people within your organisation, and they may also need to understand the source of where funds have originally come from.

Examples of people within your organisation that Institutions may need to complete CDD upon are:

1. Officers, Directors, Trustees or Board Members
2. Shareholders
3. Treasurer
4. Other committee members
5. Management team - CEO, CFO etc
6. For banks anyone who is an account signatory

To complete CDD, Institutions will want to obtain evidence of individuals' identities and their addresses, usually by way of obtaining documents like passports, drivers licenses, bank cards, utility bills, etc.

4. How might CDD be completed by Institutions?

1. Electronic verification using a biometric tool - this usually involves being provided with a unique link to the tool where you take a photo of your ID, a video of yourself and input your address details. This is generally the quickest and easiest way to complete the verification process but not all Institutions provide electronic verification
2. Providing hard copies of your passport/driver license and proof of address - Institutions may have their own policies around when and how these documents are to be provided, and some Institutions may require the individual to meet in person

5. How might we prepare for CDD requests?

Institutions are likely to want to keep their AML records up to date, which means they might request that organisations provide CDD documentation for changes in the types of roles within your organisation as noted in section 3 above. Although it is up to Institutions completing CDD to advise you on what their CDD processes are along with who they need to verify the identities and addresses of, you could proactively manage this by adopting some initiatives like the following:



1. Collect certified passports/driver licenses and address documentation as part of the onboarding process for any new board/committee member or senior staff member or anyone who will be a bank signatory
2. Find out if the Institution requiring CDD to be completed provides an electronic verification option. Most banks have their AML/CDD processes available on their website, the links to some of these are included in the useful links below
3. CDD may need to be completed by the Institutions on a regular basis so ask them for an indication of when it may need to be completed again

Useful links:

[AML Supervisors' document on AML/CFT for clubs and societies](#)

[ANZ customer identification process](#)

[ASB identification requirements](#)

[BNZ customer due diligence](#)

[Kiwibank verifying your identity and address](#)

[Westpac identification and proof of address](#)