

# Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Programme

The AML/CFT programme is based on the risk assessment for the business and sets out the internal policies, procedures and controls necessary to detect money laundering and financing of terrorism (ML/FT) and to manage and mitigate the risk of it occurring.

The minimum requirements for an AML/CFT programme are set out below. You should ensure you fully understand the requirements of the legislation. Further detail on each of the points below can be found in the AML/CFT Programme Guideline available from the Financial Markets Authority (FMA) web site or from IBANZ. A copy of the Act is also available from these sources.

After reading this guide and the FMA guidelines, if you still do not understand any of your obligations you should seek legal advice, or contact your AML/CFT supervisor - Reserve Bank of New Zealand.

For the purposes of this guide:

- *policies* set out expectations, standards and behaviours in a business;
- *procedures* are more detailed and set out day-to-day operations; and
- *controls* are tools that management use to ensure the business complies with policies and procedures.

***NB This guideline is not intended to be legal advice, and should not be relied upon as such.***

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## **1. AML/CFT Compliance Officer**

Person responsible for administering and maintaining the AML/CFT programme.

## **2. Senior Manager**

Who your compliance office reports to. Must be in a position to influence the management or administration of the business.

## **3. Vetting**

Policies procedures and controls for vetting senior managers, incl. the compliance officer and others involved in AML/CFT duties. These people will be in positions where they may be able to influence or override decisions that involve AML/CFT risks.

## **4. Training**

Set out your policies, procedures and controls for training on AML/CFT matters for anyone involved in AML/CFT duties.

**5. Customer due diligence**

There are three types of customer due diligence (CDD) however if your business is only involved in premium funding then CDD is not required.

**6. Written findings**

Policies, procedures and controls to examine and keep written findings on any activity that is likely by its nature to be related to ML/FT.

Policies, procedures and controls on how you will monitor, examine and keep written findings relating to business relationships and transactions with countries that do not have sufficient AML/CFT systems in place.

**7. Suspicious transaction reporting**

Set out adequate and effective policies, procedures and controls for reporting suspicious transactions to the NZ Police Financial Intelligence Unit.

**8. Record keeping**

Include adequate and effective policies, procedures and controls for the record keeping requirements described in sections 49 to 54 of the AML/CFT Act.

**9. Products and transactions that favour anonymity**

How you will prevent the use, for AM/FT, of products and transactions that might favour anonymity. If you offer products or services that favour anonymity, your programme must have adequate and effective policies, procedures and controls to detect and deter their use for ML/FT.

**10. Managing and mitigating risk**

Policies, procedures and controls that set out how your business will continue to manage and mitigate ML/FT risks identified in your risk assessment, any new products and services you may offer and new or emerging ML/FT risks.

**11. Ensuring compliance with the AML/CFT programme**

Policies, procedures and controls that set out how your business will monitor and manage compliance with the AML/CFT programme. These will ensure effective oversight and monitoring and how you will communicate and train staff.

**12. Review and audit of the AML/CFT programme**

Review programme to ensure it remains current, identify deficiencies and make changes to address deficiencies. The programme must be audited every two years by an appropriately qualified, independent person.