



## An update on the new anti-money laundering rules which came into effect on 1 January 2019

\* As of 1 January 2019 all Real Estate Agents are required to carry out an 'identification process' on the entities involved in the sale of a property (\*under phase 2 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009)

This means that your Agent will be required:

- To identify who you are and/or who you are acting for. (you could be an individual, or acting on behalf of a company, Trust or other client type including a society or government department).
- To verify your identity by confirming your full name, date of birth, and residential address. (This can be done in several ways – such as the producing of an identity document such as a passport, drivers licence, utility bill or other supporting identification documentation. Your Agent will be required to take copies of these).

If you are unable to verify your identity in accordance with the legislation, your Agent may not be able to act in the sale of your property.

If you are **purchasing** a property, you will still be required to complete due diligence. We suggest you discuss this with your lawyer early in the buying and selling process, as they will be conducting this on your behalf.

### 1. Who, or what, is a 'beneficial owner/ real person'?

***A 'beneficial owner' is a term within the Act used to describe any entity that has an interest in the property.***

This is someone who has effective control of the seller, someone on whose behalf a transaction is being conducted, or - in the case of a company – someone who owns a 25% or greater share of the property being transacted.

### 2. What information will you be required to provide?

***Your real estate agent will need the following information from you:***

- Your fullname.
- Your date of birth.
- Your relationship to the client (if you're not the client).
- Any additional information prescribed by regulations.

### 3. What documentation is required?

***Your real estate agent will need the following documentation from you.***

- A passport, New Zealand Firearms Licence, or New Zealand Driver Licence
- Another document such as a utility bill (e.g. power, telephone), bank statement, or statement issued by a Government agency, accompanied by additional documentation that shows the residential address.

### 4. What about trusts, companies, or other entities?

***Properties that are administered by a family, formal trust or company require a higher level of identification.***

If your property is owned by a Trust – the Trust Deed will need to be provided and the information /documentation process outlined above will be required for each of the trustees named. For properties owned in the name of a company, details of the company, as well as every individual with a 25% or greater shareholding, or individuals acting on behalf of the company, will be required. Again, the same information/documentation process will be required for each of the named entities.

### 5. How will the information that I supply be verified?

***Sellers and 'beneficial owners/real persons' who are based overseas, or whom the real estate agent is not able to meet on a personal basis, will be required to verify that the identity documentation they have provided actually belongs to them***

For overseas entities, this verification requires a Statutory Declaration signed by a person authorised in the entity's home country. For 'beneficial owners/real persons' in New Zealand whom the real estate agent has not met, the verification must be done by a trusted referee.

### 6. Where can I get more information?

***The Government department administering the legislation is the Department of Internal Affairs.***

If you have any concerns or enquiries, the department can be contacted through its website:

**[dia.govt.nz](http://dia.govt.nz)**