



Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Amendment Regulations 2023

Cindy Kiro, Governor-General

Order in Council

At Wellington this 26th day of June 2023

Present:

The Hon Carmel Sepuloni presiding in Council

These regulations are made under sections 14(1)(d), 18(2)(f), 23(1)(b), 27(2), 60(2)(c), and 153 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 on the advice and with the consent of the Executive Council.

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Terrorism (Requirements and Compliance) Amendment
Regulations 2023**

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Regulations

1 Title

These regulations are the Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Amendment Regulations 2023.

2 Commencement

- (1) These regulations, except Part 2 and Part 3, come into force on 31 July 2023.
- (2) Part 2 comes into force on 1 June 2024.
- (3) Part 3 comes into force on 1 June 2025.

3 Principal regulations

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

Part 1 Amendments commencing on 31 July 2023

4 Regulation 3 amended (Interpretation)

(1) In regulation 3, replace the definition of **nominee director** with:

nominee director means—

- (a) an individual who is a director of a company within the meaning of section 126(1) of the Companies Act 1993 and who is required to carry out or accustomed to carrying out the role of director in accordance with the directions or instructions of another person who is not a director of the company; but
- (b) does not include an individual who is a director of a company (**A**) within the meaning of section 126(1) of the Companies Act 1993 and who is required to follow, or accustomed to following, the directions or instructions of a holding company of A or an appointing shareholder

(2) In regulation 3, insert in its appropriate alphabetical order:

relevant service has the same meaning as in regulation 4 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Regulations 2011.

5 New regulations 12A and 12B inserted

After regulation 12, insert:

12A Customer due diligence requirements for when relevant service not initially provided

- (1) This regulation applies to a designated non-financial business or profession that—
 - (a) has previously provided a service to a customer that is not a relevant service; and
 - (b) is subsequently engaged by that customer to provide a relevant service.
- (2) The designated non-financial business or profession must conduct customer due diligence on the customer in the circumstances described in sections 14, 18, and 22 of the Act.
- (3) However, the designated non-financial business or profession may carry out verification of identity after it is engaged to provide the relevant service if—
 - (a) it is essential not to interrupt normal business practice; and

- (b) money laundering and financing of terrorism risks are effectively managed through appropriate risk management procedures; and
- (c) verification of identity is completed as soon as is practicable after the designated non-financial business or profession is engaged to provide the relevant service.

12B Customer due diligence requirements where designated non-financial business or profession provides relevant service to repeat customer outside of ongoing business relationship

- (1) This regulation applies to a designated non-financial business or profession that repeatedly provides 1 or more relevant services to the same customer in circumstances outside of an ongoing business relationship.
- (2) The designated non-financial business or profession is not required to obtain or verify any documents, data, or information that it has previously obtained and verified relating to a customer that it has conducted customer due diligence on in the circumstances described in sections 14, 18, and 22 of the Act, unless—
 - (a) there are reasonable grounds to doubt the adequacy or veracity of the documents, data, or information previously obtained; or
 - (b) the level of risk involved otherwise requires it.
- (3) To avoid doubt, subclause (2) does not exempt the designated non-financial business or profession from the requirements to conduct ongoing customer due diligence and account monitoring in accordance with section 31 of the Act.

6 New regulations 14 to 17 inserted

After regulation 13, insert:

14 Verification information

For the purposes of sections 32(1)(a)(ii) and 33(2)(c)(ii) of the Act, relevant **verification information** means a copy of the records used by the person being relied on to verify the customer's identity.

15 Countries with insufficient anti-money laundering and countering financing of terrorism systems or measures

For the purposes of sections 22(1)(a)(ii) and (b)(ii) and 57(1)(h) of the Act, a **country that has insufficient anti-money laundering and countering financing of terrorism systems or measures in place** includes a country identified by the Financial Action Task Force as being a high-risk jurisdiction subject to a call for action.

16 Time at which real estate agents must conduct customer due diligence

- (1) For the purpose of sections 14(3), 18(3A), and 22(6) of the Act, a real estate agent must conduct customer due diligence,—

- (a) in relation to a commercial lease transaction, before the real estate agent presents a lease agreement to the landlord:
 - (b) in relation to an assignment to lease transaction, before the real estate agent presents an assignment of lease to the assignee:
 - (c) in relation to a sublease transaction, before the real estate agent presents a sublease agreement to the outgoing tenant:
 - (d) in relation to any other real estate transaction, once there is a fully signed agency agreement and before carrying out any further real estate agency work for the customer.
- (2) Nothing in subclause (1) applies to an agent who is a conjunctional agent.
- (3) For the purposes of this regulation,—

agency agreement has the same meaning as in section 4(1) of the Real Estate Agents Act 2008

commercial lease transaction means a transaction specified in paragraph (b) of the definition of transaction in section 4(1) of the Real Estate Agents Act 2008

conjunctional agent means a real estate agent who is under a written conjunctional agency agreement with a listing agent to introduce a purchaser, and who also acts for a client who is the vendor in a real estate transaction

real estate agency work has the same meaning as in section 4(1) of the Real Estate Agents Act 2008.

17 Prescribed enactments for purposes of section 140 of Act

The following enactments are prescribed for the purposes of section 140 of the Act:

- (a) the Agricultural Compounds and Veterinary Medicines Act 1997:
- (b) the Animal Products Act 1999:
- (c) the Biosecurity Act 1993:
- (d) the Child Support Act 1991:
- (e) the Commerce Act 1986:
- (f) the Corrections Act 2004:
- (g) the Defence Act 1990:
- (h) the Environment Act 1986:
- (i) the Fisheries Act 1996:
- (j) the Food Act 2014:
- (k) the Forests Act 1949:
- (l) the Gaming Duties Act 1971:
- (m) the Immigration Act 2009:

- (n) the Policing Act 2008:
- (o) the Student Loan Scheme Act 2011:
- (p) the Trusts Act 2019:
- (q) the Wine Act 2003.

Part 2

Amendments commencing on 1 June 2024

7 Regulation 11 replaced (Information requirement for standard customer due diligence: existence of nominee directors or shareholders)

Replace regulation 11 with:

11 Additional information requirement for standard customer due diligence: legal persons

- (1) This regulation applies in respect of a customer who is a legal person.
- (2) A reporting entity must, as part of standard customer due diligence, obtain information relating to—
 - (a) the customer’s legal form and proof of existence; and
 - (b) the customer’s ownership and control structure; and
 - (c) any powers that bind and regulate the customer; and
 - (d) if the customer is a company, the existence and name of any of the following:
 - (i) any nominee director;
 - (ii) any nominee shareholder; and
 - (e) if the customer is a limited partnership, about the existence and name of any nominee general partner.
- (3) The reporting entity must take reasonable steps to verify the information specified in subclause (2) according to the level of risk involved and,—
 - (a) in the case of the information specified in subclause (2)(a) to (c), on the basis of documents, data, or information issued by a reliable and independent source;
 - (b) in the case of the information specified in subclause (2)(d) and (e), on the basis of documents, data, or information issued by a reliable source.

11A Additional information requirement for standard customer due diligence: legal arrangements

- (1) This regulation applies in respect of a customer that is a legal arrangement.
- (2) A reporting entity must, as part of standard customer due diligence, obtain information relating to—

- (a) the customer's legal form and proof of existence; and
 - (b) the customer's ownership and control structure; and
 - (c) any powers that bind and regulate the customer; and
 - (d) if the customer is a trust,—
 - (i) the settlor (or settlors) of the trust; and
 - (ii) any protector (or protectors) of the trust.
- (3) The reporting entity must take reasonable steps to verify the information specified in subclause (2) according to the level of risk involved and,—
- (a) in the case of the information specified in subclause (2)(a) to (c), on the basis of documents, data, or information issued by a reliable source;
 - (b) in the case of the information specified in subclause (2)(d), on the basis of documents, data, or information issued by a reliable and independent source.

8 Regulation 12 amended (Enhanced customer due diligence required for companies with nominee directors)

Replace regulation 12(b) with:

- (b) a limited partnership with a nominee general partner.

9 New regulations 12AA and 12AB inserted

After regulation 12, insert:

12AA Enhanced customer due diligence required if reporting entity has grounds to report suspicious activity

For the purposes of section 22(1)(e) of the Act, a reporting entity must conduct enhanced customer due diligence on a person in the circumstances described in section 18(1) and (3) of the Act if there are grounds to report a suspicious activity (within the meaning of section 39A of the Act) in relation to any of those circumstances.

12AB Additional enhanced customer due diligence requirements in certain cases relating to business relationships

- (1) This regulation applies when a reporting entity is conducting enhanced customer due diligence under section 22(1)(a), (c), or (d) of the Act within a business relationship.
- (2) A reporting entity must carry out additional enhanced customer due diligence measures before establishing, and during, the business relationship if complying with sections 23(1)(a) and 24(1)(b) of the Act is not sufficient to manage and mitigate the risks of money laundering and the financing of terrorism.
- (3) The additional enhanced customer due diligence measures include—

- (a) obtaining further information from the customer in relation to a transaction; or
- (b) examining the purpose of a transaction; or
- (c) enhanced monitoring of a business relationship; or
- (d) obtaining senior management approval for transactions or to continue the business relationship.

10 New regulations 13A to 13E inserted

After regulation 13, insert:

13A Prohibition on correspondent banking relationship with bank registered in Democratic People’s Republic of Korea

A reporting entity must not establish or continue a correspondent banking relationship (as defined in section 29(3) of the Act) with a bank registered in the Democratic People’s Republic of Korea.

13B Prescribed condition: reliance on person described in section 33(2)(a)(ii) of Act

For the purposes of section 33(2)(e) of the Act, a reporting entity must take reasonable steps to satisfy itself that the person described in section 33(2)(a) being relied on—

- (a) has record-keeping measures to at least the standard required by the Act; and
- (b) is able to provide verification information to the reporting entity as soon as practicable on request, but within 5 working days after receiving the request.

13C Prescribed condition: reliance on reporting entities or persons in another country

For the purposes of section 33(2)(e) of the Act, if a reporting entity intends to rely on a person who is resident in a country described in section 33(2)(a)(ii), the reporting entity must, before relying on the person, consider the level of risk associated with relying on a person residing in that country.

13D Requirement relating to reliance on overseas member of designated business group

- (1) This regulation applies if a reporting entity that is a member of a designated business group is relying on another member of the group who is resident overseas (an **overseas member**) to conduct customer due diligence procedures in accordance with section 32(1)(a) of the Act.
- (2) In order for the reporting entity to rely on the overseas member, the overseas member must conduct the relevant customer due diligence procedures to at least the standard required by the Act and regulations made under the Act.

13E Requirement to review risk assessment in relation to new or developing technologies or products

- (1) A reporting entity must review the risk assessment undertaken under section 58 of the Act to take account of any new or developing technologies or new or developing products (including any new delivery mechanisms) used by the reporting entity.
- (2) The risk assessment must be updated before the technology, product, or delivery mechanism is used by the reporting entity.

11 New regulations 15A to 15N inserted

After regulation 15, insert:

15A Information requirement: international wire transfers less than \$1,000

- (1) This regulation applies to a reporting entity that is an ordering institution that makes an international wire transfer of less than \$1,000.
- (2) The ordering institution must ensure that the following information accompanies each wire transfer:
 - (a) the originator's full name;
 - (b) the originator's account number or other identifying information that allows the transaction to be traced back to the originator;
 - (c) the name of the beneficiary;
 - (d) the beneficiary's account number or the beneficiary's unique transaction reference number.
- (3) However, the ordering institution need not verify the information specified in subclause (2) unless it considers that there are grounds to report a suspicious activity (within the meaning of section 39A of the Act) in relation to the transfer.

15B Information requirement: transfer of funds related to international wire transfer made by intermediary institution

- (1) This regulation applies to a reporting entity that is an intermediary institution in respect of a transfer of funds that relates to an international wire transfer processed by the institution.
- (2) If, for any technological reason, the intermediary institution cannot comply with the requirements of section 27(6) of the Act, the intermediary institution must keep a record of the information that was received.

15C Information requirement: wire transfer made by ordering institution

- (1) This regulation applies to a reporting entity that is an ordering institution in respect of an international wire transfer.
- (2) An ordering institution must keep a record of—

- (a) the name of the beneficiary; and
 - (b) the beneficiary's account number or the beneficiary's unique transaction reference number.
- (3) The ordering institution must retain the record,—
- (a) if the wire transfer is conducted by a customer with whom the reporting entity has a business relationship, for a period of at least 5 years after the end of that business relationship; or
 - (b) if the wire transfer is an occasional transaction, for a period of at least 5 years after the completion of the wire transfer.

15D Requirement to provide suspicious activity report to financial intelligence unit in country affected by suspicious activity

- (1) This regulation applies to a reporting entity that is the operator of a money or value transfer service that is the ordering institution or beneficiary institution of a wire transfer outside New Zealand.
- (2) If the reporting entity is required to report to the Commissioner under section 40 of the Act, the reporting entity must also provide a copy of the suspicious activity report to the relevant financial intelligence unit in any country (or countries) affected by the suspicious activity.

15E Further requirement for AML/CFT programme: reporting entity that is intermediary institution of international wire transfer

- (1) This regulation applies to a reporting entity that is an intermediary institution in respect of international wire transfers.
- (2) For the purposes of section 57 of the Act, the reporting entity's AML/CFT programme must set out adequate and effective procedures, policies, and controls for—
 - (a) determining what reasonable steps the reporting entity will take to identify any international wire transfers that lack originator or beneficiary information required by the Act or regulations; and
 - (b) determining what risk-based policies or procedures the reporting entity will apply if an international wire transfer does not contain any of that information.

15F Further requirement for AML/CFT programme: reporting entity that is beneficiary institution of international wire transfer

- (1) This regulation applies to a reporting entity that is a beneficiary institution in respect of international wire transfers.
- (2) For the purposes of section 57 of the Act, the reporting entity's AML/CFT programme must set out adequate and effective procedures, policies, and controls for—

- (a) determining what reasonable steps the reporting entity will take to identify any international wire transfers that lack originator or beneficiary information required by the Act or regulations; and
- (b) determining what risk-based policies or procedures the reporting entity will apply if an international wire transfer does not contain any of that information.

15G Further requirement for AML/CFT programme: agents of reporting entity

For the purposes of section 57 of the Act, the AML/CFT programme of a reporting entity must set out adequate and effective procedures, policies, and controls for—

- (a) any functions carried out by an agent of the reporting entity as part of the programme:
- (b) vetting agents who carry out functions of the reporting entity:
- (c) training agents of the reporting entity on AML/CFT matters:
- (d) maintaining a list of agents of the reporting entity acting in the AML/CFT programme.

15H Further requirement for AML/CFT programme: source of wealth or source of funds

For the purposes of section 57 of the Act, the AML/CFT programme of a reporting entity must, in respect of enhanced customer due diligence conducted under section 22(1) of the Act, differentiate, as is necessary to manage and mitigate the risks of money laundering and the financing of terrorism, between when information must be obtained under section 23(1)(a) of the Act and verified under section 24(1)(b) of the Act regarding—

- (a) the source of the funds or the source of the wealth of a customer; and
- (b) both the source of the funds and the source of the wealth of the customer.

15I Reporting entity that carries out activities of another kind of reporting entity

- (1) This regulation applies to a reporting entity specified in section 6(4)(a) to (e) of the Act that, in the ordinary course of business, carries out an activity (or activities) of another type of reporting entity specified in that subsection.
- (2) In addition to any other requirements under the Act and regulations, the reporting entity must comply with the provisions of the Act to the extent that it carries out activities of the other type of reporting entity.

15J Further requirements relating to ongoing customer due diligence and account monitoring

- (1) When conducting ongoing customer due diligence and undertaking account monitoring for the purposes of section 31 of the Act, a reporting entity must, according to the level of risk involved,—
 - (a) update any customer information following its review under section 31(4)(b) of the Act and take reasonable steps to verify this information; and
 - (b) regularly review any information about the activities described in paragraph (a) of the definition of designated non-financial business or profession in section 5(1) of the Act.
- (2) In determining the extent to which information must be updated or verified under subclause (1)(a), the reporting entity must consider when customer due diligence was last conducted in relation to the customer and the adequacy of the information held.

15K Requirement to conduct customer due diligence in certain cases

For the purposes of section 14(1)(d) of the Act, a reporting entity must conduct standard customer due diligence if a person seeks to conduct a transaction through the reporting entity outside of a business relationship—

- (a) that is not an occasional transaction; and
- (b) where there are grounds to report a suspicious activity (within the meaning of section 39A of the Act) in relation to the transaction.

15L Virtual asset transfer to be treated as international wire transfer

- (1) For the purposes of complying with the Act, a reporting entity must, unless satisfied that all the parties to the wire transfer are in New Zealand, treat the following virtual asset transfers as if they were an international wire transfer:
 - (a) a virtual asset to virtual asset transfer;
 - (b) a virtual asset to fiat currency transfer (or vice versa).
- (2) In subclause (1), **virtual asset** has the same meaning as in regulation 4 of the Anti-Money Laundering and Countering Financing of Terrorism (Definitions) Regulations 2011.

15M Operator of money or value transfer service must comply with requirements relating to wire transfers

To avoid doubt,—

- (a) an operator of a money or value transfer service must comply with all requirements of the Act and any regulations made under the Act relating to a wire transfer:

- (b) if an operator of a money or value transfer service utilises an agent (or a sub-agent) in relation to a wire transfer, the originator or beneficiary of the wire transfer is the customer for the purposes of the Act (and not the agent or sub-agent).

15N Record-keeping requirements for other records

- (1) For the purposes of section 51(1) of the Act, a prescribed transaction report submitted under subpart 2A of Part 2 of the Act is a record.
- (2) A reporting entity must keep the records described in section 51(1)(a) and (c) of the Act for a period at least 5 years after the end of the reporting entity's business relationship with the relevant customer.

Part 3

Amendments commencing on 1 June 2025

12 New regulation 12AC inserted

After regulation 12AB, as inserted by regulation 5 of these regulations, insert:

12AC Further requirement relating to risk-rating new customer

- (1) A reporting entity must risk-rate a new customer when conducting customer due diligence in the circumstances described in sections 14 and 22 of the Act.
- (2) The reporting entity must keep a record of the customer's risk rating and review the customer's risk rating, as appropriate, in accordance with section 31 of the Act.

Diana Hawker,
Acting 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, other than *Part 2* and *Part 3*, come into force on 31 July 2023. *Part 2* comes into force on 1 June 2024. *Part 3* comes into force on 1 June 2025. These regulations amend the Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Regulations 2011 (the **principal regulations**).

Part 1 amends the principal regulations to—

- amend the definition of nominee director to exclude directors who are required to, or accustomed to, following the directions of a holding company or an appointing shareholder:

- insert a new definition of relevant service for the purposes of the principal regulations:
- clarify that a designated non-financial business or profession that provides a relevant service to a repeat customer in circumstances outside of an ongoing business relationship is not required to obtain or verify any documents, data, or information previously obtained and verified relating to a customer it has conducted customer due diligence on unless there are reasonable grounds to doubt the adequacy or veracity of the documents, data, or information previously obtained or the level of risk involved otherwise requires it:
- require a designated non-financial business or profession that has previously provided a service to a customer that is not a relevant service and that is subsequently engaged by the customer to provide a relevant service must then conduct customer due diligence on the customer:
- clarify, for the purposes of sections 32(1)(a)(ii) and 33(2)(c)(ii) of the Act, that relevant verification information means a copy of the records used by the person being relied on to verify the customer's identity:
- clarify, for the purposes of sections 22(1)(a)(ii) and (b)(ii) and 57(1)(h) of the Act, that a country that has insufficient anti-money laundering and countering financing of terrorism systems or measures in place means a country identified by the Financial Action Task Force as being a high-risk jurisdiction subject to a call for action:
- specify new customer due diligence time frames for real estate agents engaging in commercial lease transactions, assignment to lease transactions, sublease transactions, and other real estate transactions:
- prescribe a list of further enactments under which a government agency, an AML/CFT supervisor, or a regulator may disclose to another government agency or AML/CFT supervisor any information supplied or obtained under the enactment where there is reasonable grounds to believe that the disclosure is necessary or desirable for the purpose of ensuring compliance with the Act and regulations made under it.

Part 2 amends the principal regulations to—

- specify additional identity information that must be obtained as part of standard customer due diligence on legal persons and legal arrangements:
- require a reporting entity to conduct enhanced customer due diligence on a person in the circumstances described in section 18(1) and (3) of the Act where it has grounds to report a suspicious activity (within the meaning of section 39A of the Act) in relation to any of those circumstances:
- allow a reporting entity that is unable to verify a customer's identity on the basis of documents, data, or information issued by a reliable and independent source to verify their identity on the basis of information issued by a reliable source, subject to certain exceptions:

- require a reporting entity that is conducting enhanced customer due diligence to differentiate, as is necessary to manage and mitigate the risks of money laundering and the financing of terrorism, between when information must be obtained under the Act regarding the source of the funds or the source of the wealth of a customer, or both:
- require a reporting entity that is relying on a person described in section 33(2)(a) of the Act to take reasonable steps to satisfy itself that the person has record-keeping measures to at least the standard required by the Act and is able to provide verification information to the reporting entity as soon as practicable on request (but no later than 5 working days after a request):
- prohibit reporting entity from establishing or maintaining a correspondent banking relationship with a bank registered in the Democratic People's Republic of Korea:
- require a reporting entity who intends to rely on a person described in section 33(2)(a)(ii) to consider the level of risk associated with relying on a person residing in that country before doing so:
- require an overseas member of a designated business group that is conducting customer due diligence on behalf of a member of the group in New Zealand in accordance with section 32(1)(a) of the Act to conduct the due diligence to at least the standard required by the Act and any regulations made under the Act:
- require a reporting entity to update its risk assessment undertaken under section 58 of the Act to take account of any new or developing technologies, new or developing products, or new delivery mechanisms used by the entity before the technology, product, or delivery mechanism is used:
- require an ordering institution that makes international wire transfers of less than \$1,000 to ensure that specified information accompanies the transfer:
- require an intermediary institution of a transfer of funds relating to an international wire transfer processed by institution to keep (and retain for at least 5 years) a record of the information that was received if for any technological reason the intermediary institution cannot comply with section 27(6) of the Act:
- require an ordering institution to keep (and retain for at least 5 years) a record of the name and account number of each international wire transfer made by the institution:
- require an ordering institution or beneficiary institution of a wire transfer outside New Zealand that is required to report to the Commissioner under section 40 of the Act to also provide a suspicious activity report to the relevant financial intelligence unit in any country (or countries) affected by the suspicious activity:
- require a reporting entity to conduct customer due diligence if a person seeks to conduct a transaction or activity through the reporting entity outside of a business relationship that is not an occasional transaction or an occasional activity

and where there may be grounds to report a suspicious activity (within the meaning of section 39A of the Act) in relation to the transaction or activity:

- require the AML/CFT compliance programme of a reporting entity that is an intermediary institution or a beneficiary institution in respect of international wire transfers to set out procedures, policies, and controls relating to the reasonable steps the reporting entity will take to identify transfers that lack the required originator or beneficiary information:
- require a the AML/CFT compliance programme of a reporting entity to set out the procedures, policies, and controls relating to any functions carried out by an agent of the reporting entity and for vetting and training agents of the entity:
- require the AML/CFT compliance programme of a reporting entity to differentiate, as is necessary to manage and mitigate the risks of money laundering and the financing of terrorism, between when information must be obtained under the Act regarding the source of the funds or the source of the wealth of a customer, or both:
- require a reporting entity specified in section 6(4) of the Act that carries out an activity of another type of entity specified in that provision to comply with the Act to the extent that it carries out activities of the other type of entity:
- require a reporting entity when it is conducting ongoing customer due diligence and account monitoring under the Act to have regard to when customer due diligence was last conducted in relation to the customer and to regularly review certain activities:
- require a reporting entity, for the purposes of complying with the Act, to treat certain virtual asset transfers as if they were international wire transfers:
- clarify that an operator of a money or value transfer service must comply with all requirements of the Act (and regulations made under the Act) relating to wire transfers, and if the operator uses an agent or sub-agent in relation to the transfer the originator or beneficiary of the wire transfer is the customer for the purposes of the Act:
- require a reporting entity to retain a record of each prescribed transaction report submitted under subpart 2A of Part 2 of the Act for at least 5 years after the report is made:
- require a reporting entity to retain the records described in section 51(1)(a) and (5) of the Act for a period of at least 5 years after the end of the reporting entity's business relationship with the relevant customer.

Part 3 amends the principal regulations to require reporting entities to risk-rate new customers when conducting customer due diligence in the circumstances described in sections 14 and 22 of the Act and to keep a record of the customer's risk rating and update the record, as appropriate.

Regulatory impact statement

The Ministry of Justice produced a regulatory impact statement on 12 October 2022 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at—

- <https://www.justice.govt.nz/assets/Documents/Publications/RIS-AMLCFT-Early-Regulatory-Proposals.pdf>
- <https://treasury.govt.nz/publications/informationreleases/ris>

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