



FINANCIAL MARKETS AUTHORITY
TE MANA TATAI HOKOHOKO - NEW ZEALAND

AML – Trusts

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Estate and Taxation Planning Council | 20 March 2013.

Key points

- Customer Due Diligence.
- Enhanced Due Diligence.
- Who is the customer.
- Beneficiaries.

Customer Due Diligence (CDD)



- On the customer.
- On the beneficial owners of the customer.
- On the persons acting on behalf of the customer.

The trust.

Trustee
Beneficiary(?)
Protector

Anyone that has authority to act of the trust's behalf.

What is CDD



Customer Due Diligence (CDD) is the information that you gather to identify the client and verify their identity, identifying where there is a beneficial owner who is not the client and attaining information on the purpose and intended nature of the business relationship.

Enhanced CDD

Source of funds or wealth of the customer (section 23)

To identify the source of funds or the wealth of a trust:

- identify the individuals who are the settlor(s), and the origin of the settlor's wealth.
- the source of any income that the trust is receiving.

Information to collect



The information required to identify the trust is:

- full name of the trust;
- address of the trust;
- name and date of birth of the individuals who are the trust's beneficiaries ,
- source of funds or wealth of the customer; and
- any additional information as prescribed by regulations, such as identifying a class of beneficiary for charitable trusts.

For the owners of the trust

- name;
- date of birth; and
- address of the individual(s).

Beneficiaries



Regulation 6 of the Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Regulations 2011 provides additional information on EDD for the beneficiaries of trusts.

Regulation 6(1) requires you to obtain the name and date of birth of each beneficiary of a trust.

Regulation 6(2) allows you to relax this requirement if your customer is a discretionary trust, a charitable trust, or any type of trust that has more than ten beneficiaries. In such cases you must obtain:

- a description of each class or type of beneficiary, and
- in the case of a charitable trust, the objects of the trust.

Resource



Financial Markets Authority. <http://www.fma.govt.nz/>

FMA updates. <http://www.fma.govt.nz/keep-updated/subscribe-to-updates/>

NZ Legislation. <http://legislation.govt.nz/default.aspx> (search for Anti Money Laundering)

Financial Action Task Force for 40 Recommendations. <http://www.fatf-gafi.org/>

JMLSG. <http://www.jmlsg.org.uk/jmlsg-guidance/part-i-part-ii-part-iii-and-treasury-ministerial-approval>

Australian Reports and Transaction Centre (AUSTRAC).
http://www.austrac.gov.au/elearning_amlctf_programcourse/pdf/aml_programs_complete_modules.pdf

Questions

