

Identification Requirements

Enhanced Client Due Diligence



Where law meets life.

Overview of Enhanced Due Diligence

What is Enhanced Due Diligence?

Enhanced due diligence is a more detailed analysis of a client's due diligence information and includes, where appropriate, identifying:

- The client's source of wealth and source of funds
- The beneficial owner's source of wealth and source of funds

Generic source of wealth and funds	Collect	Examples of documentary evidence
Income from Employment (if an individual)	<ul style="list-style-type: none"> • Occupation • Employer's name and address • Employer's nature of business • Income per annum this year and last year 	Last 3 months' pay slips Confirmation from employer of income and bonus for last 2 years Recent accounts if self-employed Bank statements clearly showing receipt of the last 3 months' salary payments from a named employer Recent Group Certificate or Tax Return
Investment savings	<ul style="list-style-type: none"> • Date funds received and • From which company • Amount received • How long held 	Investment/savings certificates, contract notes or statements Confirmation from the relevant investment company Bank statement showing receipt of funds by investment company name Signed letter detailing funds from a regulated accountant
Property Sale	<ul style="list-style-type: none"> • Date funds received • Address of property • Sale value • How long property held 	Signed letter from solicitor that includes the proceeds received Completed sale contract
Company Sale	<ul style="list-style-type: none"> • Date funds received • Name and address of company • Applicant's share • Nature of business • Total sale price 	Signed letter from solicitor or regulated accountant Copy of contract of sale
Inheritance	<ul style="list-style-type: none"> • Date funds received • Total amount received • Name of benefactor • Relationship to benefactor 	Grant of probate and/or copy of Will Bank statements Solicitor's letter
Loan	<ul style="list-style-type: none"> • Date funds received • Amount of loan • Name and address of loan provider 	Loan agreement Recent loan statements
Gift	<ul style="list-style-type: none"> • Date funds received • Total amount • Details of benefactor • Relationship to benefactor • Source of donated funds 	Letter from donor confirming details of gift and acknowledging the source of the donated funds Evidence of the source of funds
Trading Profits (if a business or trading activity)	<ul style="list-style-type: none"> • Nature of Business or activities that generate profit 	Copy of latest accounts Letter from Chartered Accountant giving details of Business profits over last 2 years
Other	<ul style="list-style-type: none"> • Date funds received • Amount • Nature of income 	Appropriate documentation that details the source of the funds Where/how the funds were generated Signed letter detailing funds from a regulated accountant

Which Clients will require Enhanced Due Diligence?

- Trusts or another vehicle for holding personal assets (see below for further information on completing DD for Trusts)
- Non-resident clients from a country that has insufficient AML/CFT systems or measures in place (see <http://www.fatf-gafi.org/countries/#FATF> for more information on this)
- Companies with nominee shareholders or shares in bearer form
- Where the ML/FT risk is high
- Politically Exposed Persons (PEPs) or where the ultimate beneficial owner of a client is a foreign PEP
- Where a suspicious matter/activity report has been lodged about the client

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Enhanced Due Diligence

Trusts

How it works

Before Govett Quilliam can act for you, by law¹, we have to properly identify and collect information about its clients. We collect this in up to six steps.



Please note that where a trust is **regulated** or has a status that means it qualifies for simplified due diligence on the trustee, we verify that the trust is:

- Registered and subject to regulatory oversight by a statutory regulator in relation to its activities as a trust; or
- A government pension or superannuation fund established by legislation.

Simplified due diligence means confirm the existence of the trust, its address and the names of the trustees.

With the exception of documents identifying the source of wealth/source of funds, all documents must be **originals or certified copies**. Please contact us for further information. Documentation in a foreign language must be accompanied by an independent and certified English translation provided to you by a professional translator. If your identification documents are issued by a country other than New Zealand, Australia, The United Kingdom, Canada, France, Germany or the United States of America, we may need to ask you for additional information about your income or assets.

Where the client is **unable to provide appropriate documentation** to verify their identity, at the discretion of the AML/CFT Officer, we will accept a statutory declaration confirming the client's identity from one of the following: Police Constable, Justice of the Peace, Registered Medical Doctor, Minister of Religion, Lawyer, Notary Public, Chartered Accountant. The declarant must confirm they have known the client for at least 2 years. The declarant will also be subject to verification of identity and address checks, as above.

1. Verification of Trust

We will need to review a copy of the Trust Deed (and any variations or deeds of retirement and/or appointment).

2. Verification of Settlers', Trustees' and Beneficial Owners' ID and Address

We will verify the identity and residential address of all the trustees (unless the Trust is registered with the Charities Commission or similar) and, if not also a trustee, the beneficial owners of the Trust (the person(s) with the power to appoint or remove trustees). For **individual trustees and beneficial owners**, at least one form of identification must contain a photo. Please choose from one of the following three options:

	Primary Identification Document	Secondary Identification Document
Option 1	<p>One of the following:</p> <ul style="list-style-type: none"> • New Zealand Passport • New Zealand Certificate of Identity • New Zealand Refugee Travel Document • Emergency Travel Document • New Zealand Firearms Licence • Overseas Passport* • National Identity card* 	<ul style="list-style-type: none"> • Not required
Option 2	<p>One of the following:</p> <ul style="list-style-type: none"> • New Zealand Full Birth Certificate • Citizenship Certificate • Overseas Birth Certificate* 	<p>One of the following which must contain a photo:</p> <ul style="list-style-type: none"> • New Zealand Driver Licence • 18+ Card • International Driving Permit • New Zealand Armed Forces ID • New Zealand Police ID • SuperGold Card with name and signature • Student ID (from a New Zealand Institution)
Option 3	<ul style="list-style-type: none"> • New Zealand Driver Licence 	<p>One of the following:</p> <ul style="list-style-type: none"> • Credit Card, Debit Card or Eftpos Card with name and signature • SuperGold Card with name and signature • Bank statement issued in the last 12 months* • Government agency statement issued in the last 12 months

* There are further restrictions on these documents – please contact us for more information

Please provide proof of residential address. Choose from one of the following two options:

	Acceptable Documents	Notes
Option A	<p>One of the following:</p> <ul style="list-style-type: none"> • Bank statements or correspondence • Government agency statement or correspondence • Registered KiwiSaver or superannuation scheme correspondence • IRD correspondence • Current insurance policy 	<p>These documents should be no more than 12 months old. They must show your current residential address. We can accept digital versions if the email from the issuing authority enclosing the documents is forwarded to us.</p>
Option B	<p>One of the following:</p> <ul style="list-style-type: none"> • Local authority rates or water bill • Utility bill (gas, power, fixed phone line, internet, SKY TV) • Correspondence from a New Zealand educational institution that reports under the Ministry of Education in New Zealand • Tenancy or lease agreement signed by both the tenant(s) and landlord 	<p>These documents should be no more than 3 months old. Digital copies of utility statements and insurance policy are acceptable, provided the statements show you are taking responsibility for a fixed (non-moveable) service or fixed asset at the same address the statement would otherwise have been posted to.</p>

For **corporate trustees**, we will verify the identification of each trustee in accordance with the process for verifying private companies (additional information available).

¹The Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

3. Verification of Source of Wealth/Funds

We are also required to verify the source of wealth/funds, for which the following information will be required:

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Income from Employment (if an individual)	<ul style="list-style-type: none"> • Occupation • Employer's name and address • Employer's nature of business • Income per annum this year and last year 	Last 3 months' pay slips Confirmation from employer of income and bonus for last 2 years Recent accounts if self- employed Bank statements clearly showing receipt of the last 3 months' salary payments from a named employer Recent Group Certificate or Tax Return
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4. Identification of beneficiaries

We will need the full name of each beneficiary or a description of the class of beneficiaries of the Trust.

5. Verification of Verifying Officers and Agents

We will need to verify the name(s) of the verifying officers and agents, their date of birth, title of position or role and a copy of the authorisation to act.

6. Verification of Politically Exposed Persons (PEPs)

If any individual is identified as a PEP, we will complete enhanced due diligence and take steps to verify the individual's identity and address, as well as their source of funds and source of wealth. Please contact us for further information.