

New Zealand AML Validation Requirement

Frequently Asked Questions

The FAQs below will help answer some common questions you may have about New Zealand regulatory requirements for AML validation on account authorizers.

1. What is the legal basis of these requirements?



The New Zealand Anti-Money Laundering and Countering Financing of Terrorism Act 2009, which came into effect from 30 June 2013, requires Citi in New Zealand to collect and verify identification and address information for clients, beneficial owners of clients and any person acting on behalf of clients.

This includes beneficial owners of, and persons acting on behalf of existing clients as at 30 June 2013, where documents currently held by Citi in New Zealand do not meet the new regulations. Missing information and/or updated verification documents is to be collected as soon as practical or when the beneficial owner, or person acting on behalf, next acts for the client.

2. Who is defined as an AML user and required to be validated against a personal identity document?

All Authorizer(s) in CitiDirect BE are defined as persons acting on behalf of a client, or AML users, under local regulations. Users other than Authorisers may also be included – please refer to question 14. They are required to submit a high quality certified true copy of their personal Identity document for AML validation. The information to be collected **and verified independently** in order to identify these individuals is:

1. Full Name
2. Date of Birth

Please refer to questions 7 & 8 for full details of acceptable identity documents and question 9 in relation to the certification/verification needs.

3. Does the regulation include e-authorizers from a 3rd party company?

Yes. Any authorizer from a 3rd party who can access and operate an account opened with the Citi's New Zealand branch is subject to this local regulatory requirement. These individuals are classed as a person acting on behalf of a client and an AML user.

4. Does the regulation impact existing AML users?

Yes. The bank is reviewing all AML users to identify those who have not yet submitted certified true copy of personal identity. Those individuals are required to submit documents as soon as possible. Failure to do so will impede the ability to authorise transactions.

5. How will users be affected?

All CitiDirect BE AML users must:

- Submit a high quality certified true copy of valid personal details as outlined in question two.
- Be registered by Citi in New Zealand as having met all requirements.

User(s) can start using CitiDirect BE after activation. When a Security Manager creates user entitlements, please ensure that the above conditions are met to avoid any business interruption.

Non AML users such as Viewer are not subject to these requirements. These users can use CitiDirect BE immediately after set up by the Security Manager. However should an existing non-AML user should be modified to become an Authorizer, all AML requirements must be met prior to using CitiDirect BE in an authorization capacity.

Existing Authorizers can continue to approve CitiDirect BE payments as normal; Citi will contact clients to inform them if any further documents are required. If these documents have not been received by 30 Sept 2016, the users' access will be disabled, and this may occur without advance notice.

In some circumstances users may be allocated an AML expiry date during this transition period, please refer to question 15 for further information on expiry dates.

6. Are there exemptions to this ID Verification requirement?

No exemptions are permitted. This is a mandatory requirement under New Zealand law.

7. What would be considered as an acceptable ID document for legal name and date of birth?

For New Zealand Citizens, there are three options for acceptable ID documents for confirmation of legal name and date of birth.

Each document must be a certified true copy, in

accordance with NZ regulations (see question 8. below).

Option 1

Any ONE of the following:

- New Zealand passport
- New Zealand refugee travel document
- Emergency travel document issued
(all of which are issued under the Passports Act 1992)
- New Zealand certificate of identity issued under the Immigration New Zealand Operational Manual
- New Zealand Firearms Licence

Option 2

ONE of the following:

- New Zealand full birth certificate
- New Zealand citizenship certificate issued under the Citizenship Act 1977

PLUS a secondary or supporting form of photographic identification (for example, a New Zealand driver's licence)

Option 3

- A New Zealand driver's licence

PLUS a bank statement issued by a registered bank, not older than 12 months; OR a statement issued by a government agency to the person, not older than 12 months (e.g. Inland Revenue).

For Non-New Zealand Citizens, the following documents are deemed acceptable. If the document is not in English, a translation is required by either a Citi representative confirming the details of the document or an independent translation of the document.

Each document must be a certified true copy, in accordance with NZ regulations (see question 8).

Option 1

Any ONE of the following issued by a foreign government, the United Nations or an agency of the United Nations:

(The document must contain the name, date of birth, a photograph and signature of the person in whose name the document is issued.)

- Overseas passport or a similar document issued for the purpose of international travel
- National identity card issued for the purpose of identification

Option 2

One form of the following primary non-photographic identification:

- Citizenship certificate issued by a foreign government
- Birth certificate issued by a foreign government, the United Nations or an agency of the United Nations

PLUS a secondary or supporting form of photographic identification, for example, a valid and current international driving permit.

8. Who can certify/verify these identification documents and what information is required from the certifier?

The identification information collected, including address information, must be verified. Verification must either be done:

- face to face by a Citibank N.A. employee; or
- via persons legally able to certify documents in the relevant country.

Verification of a document cannot be accepted if it is done by anyone other than a Citi employee or a Trusted Referee. For example, a director of a customer verifying a copy of a passport of an employee in that company is NOT acceptable. (This includes customer in-house lawyers or chartered accountants).

New Zealand Trusted Referees

Verification in New Zealand can be provided by a:

- Commonwealth representative (Ambassador, High Commissioner etc. of a Commonwealth country, including persons acting lawfully for any such officer)
- An employee of the Police who holds the office of constable Justice of the Peace
- Lawyer (who holds a current practicing certificate)
- Notary public
- NZ Honorary consul
- Member of Parliament
- Chartered accountant (within the meaning of section 19 of the *New Zealand Institute of Chartered Accountants Act 1996*)

Overseas Trusted Referees

Verification overseas can be made by a:

- Justice of the Peace
- Lawyer (who holds a current practicing certificate)
- Notary public
- Other persons legally able to certify documents in the country

Trusted Referees in New Zealand or overseas MUST NOT BE:

- related to the client/individual; for example, parent, child, brother, sister, aunt, uncle or cousin
- the spouse or partner of the client/individual
- a person who lives at the same address as the client/individual
- a person involved in the business requiring the certification, including in-house lawyers or chartered accountants

The person verifying documents must sight the original documentary identification, and make a statement to the effect that the documents provided are a true copy and represent the identity of the named individual.

Verifying must include the name, occupation and signature of the person verifying the document, the date of verification and include the words “Certified as a true copy of the original document (and true likeness of the individual)”.

Verified documents must be no older than 3 months when presented to Citi employees.

9. What if the user’s name on the CitiDirect BE form is different from the name on the personal identification document?

The AML validation will fail. Both the user’s full name and the number of the ID Document/Passport registered in CitiDirect BE must be exactly the same as that stated on the verified or Citi originally sighted copy of the identification or passport.

Where a name change has occurred, a certified copy of the legal document linking the new name with the original identification document will be required. This could be a Marriage Certificate or a New Zealand Name Change Certificate.

10. Where should the personal identification be sent?

The certified true copy of user’s ID or Passport should be sent to the following address:

TTS Account Services AUNZ
Level 26, Citigroup Centre
2 Park Street, Sydney NSW 2000
Australia

AML users who are based offshore can have a users’ passport originally sighted and endorsed by Citi employees in the same country.

11. Can a client submit a soft copy of these identification documents to speed up the process?

No, only an original Trusted Referee verified copy or Citi verified copy, of the identification will be accepted.

12. Can the AML users submit the document directly to their local Citi contacts or Citi branch instead of via their Security Manager of the Account owner?

Yes. However, we recommend a Security Manager consolidates all AML users’ personal documents into only one or two packets to save courier costs and simplify consolidation.

To assist Citi in reconciling documents to the related user please complete Annexure A (Cover Letter for Submitting

Identity Documents) for each user together with their respective identity documents.
Mailing address is prefilled on the Appendix A document and also mentioned in question 10.

13. How will Citi handle the notarized or Citi originally sighted copy of the ID documents? Are these documents returnable or available to share with another entity internally?

The verified or Citi originally sighted identification must will be kept on file for regulatory purposes and will not be returned to the client. They will be kept securely by the bank as confidential information and maintained in accordance with New Zealand privacy requirements.

14. What types of CitiDirect BE entitlements identify a user as being required to provide ID documents for New Zealand AML purposes?

The following are some of the entitlements that might trigger New Zealand AML requirements. This is not an exhaustive list but is representative of the most common:

- Authorisation of:

- a. Payments,
- b. Payment Services,
- c. Receivables/Collections
- d. Import Transactions

- Inputters of transactions whereby the instruction being undertaken does not require any further authorisation to be processed

- Import Transaction users with access to "Run"

If none of the above are applicable to your users or you do not wish to provide user ID documents, please be aware the users will have an AML expiry date attribute allocated.

Note: this may occur without advance notice.

15. How does the expiry date work? Where can I see this information and does it affect all of the branches to which I have access?

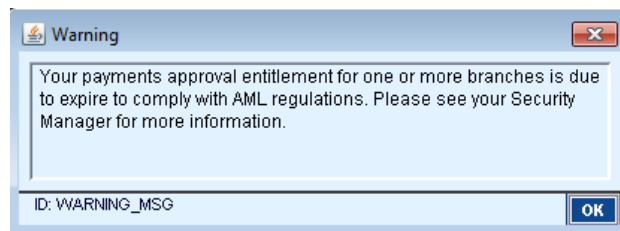
Some branches are required to limit access to their branches accounts based on an AML expiry date.

New Zealand branch are using the expiry date:

- For informational purposes during the transition period to inform users they will no longer have full transactional capabilities
- As a mechanism to disable existing users from transactional activities, typically this is as a result of your System Administrator informing Citi that no ID will be provided as your CitiDirect BE entitlements do not require the provision of AML ID.

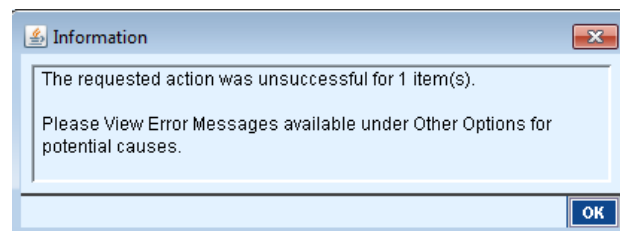
- As a means for your System Administrator to determine all users AML status within CitiDirect BE, by running an AML User by Client Report

Upon AML expiry, a user will no longer be able to approve transactions on the New Zealand branch accounts. Depending upon the users activity a popup may present itself informing of the impending expiry:



Should a user have concerns when presented with messages such as the above, in the first instance please discuss with your System Administrator.

When the AML expiry date is reached, the user's ability to authorise transactions &/or undertake some of the tasks mentioned in question 14 related to New Zealand based accounts will cease. Typically one the following message may appear should authorisation not be possible:



▲ Error(s). Please rectify the following to proceed:

You are not approved to authorize this transaction. Please contact your Security Manager.
For your information, BE Mobile users are also affected by this restriction

Best practice is to always check the individual transactions &/or imported transaction files to ensure they have progressed to the next stage in their expected lifecycle.

16. Are there any other contact points for assistance?

Please contact your local CitiService for assistance.

For New Zealand clients CitiService may be contacted by phone using

Toll Free - 0800 248 444

Local call - (+64) 9307 1900

Email address: newzealand.citiservice@citi.com

New Zealand AML Annexure A

Cover Letter for submitting Identity Documents

TTS Account Services AUNZ
Level 26, Citigroup Centre
2 Park Street, Sydney NSW 2000
Australia

In accordance with the New Zealand Anti-Money Laundering and Countering Financing of Terrorism Act 2009, please find documents attached relating to my CitiDirect BE user setup.

Documents attached:

- are those necessary to perform the appropriate identification process as detailed in New Zealand AML Validation Requirements FAQ
- have been appropriately certified
- are translated to English if necessary

CitiDirect BE Client Definition Name: _____
User Safeword Card # _____

In case of need you may contact me:
Phone (+) () Email _____

I have access to the following New Zealand Accounts:

Account Name	Account Number

Signed by: _____
Dated: