

Guidance for the new regulations relating to wire transfers in the Anti-Money Laundering and Countering Financing of Terrorism (Requirements and Compliance) Regulations 2011

[Anti-Money Laundering and Countering Financing of Terrorism \(Requirements and Compliance\) Regulations 2011 \(SR 2011/225\) \(as at 01 June 2024\) Contents – New Zealand Legislation](#)

This guidance has been produced by the AML/CFT Supervisors under section 132(2) of the AML/CFT Act. For the avoidance of doubt this guidance on wire transfers only relates to the regulations that came into force on 1 June 2024.

Regulation 15A

For Ordering Institutions

Regulation 15A places new obligations on ordering institutions for international wire transfers under \$1,000. For all international wire transfers under \$1,000, the ordering institution must ensure that the following information accompanies each wire transfer:

- the originator's full name:
- the originator's account number or other identifying information that allows the transaction to be traced back to the originator:
- the name of the beneficiary:
- the beneficiary's account number or the beneficiary's unique transaction reference number.

You are not required to verify the information obtained above, unless you consider there are grounds to report a suspicious activity report in relation to the transfer. If you do form a suspicion in relation to the transfer, you are only required to verify the originator's full name.

Regulation 15B

For Intermediary Institutions

As an intermediary institution to a wire transfer, your primary obligation is to ensure that all information that accompanies a wire transfer is retained with it when transmitted to another intermediary institution or to a beneficiary institution.¹

There may be some circumstances in which it is not possible to do this for an international wire transfer. This could be due to technical limitations with the system(s) you use to process the domestic component of an international wire transfer. Alternatively, there could be technological issues that arise that prevent it.

Regulation 15B states that if you cannot comply with the requirement that all information accompanies the international wire transfer, and this is for a technological reason, you are required to keep a record of the information you received for five years after the transaction.

¹Section 27(6).

Supervisors' view:

Some examples of a technological reason could be:

- where your reporting entity's core system fails and you are unable to pass on the required information.
- where there is a technical limitation that prevents the required originator or beneficiary information accompanying a cross-border wire transfer from remaining with a related domestic payment.

In these situations, you would be required to keep a record of the information received for a period of 5 years after the transaction.

Regulation 15C

For Ordering Institutions

Regulation 15C requires the ordering institution of an international wire transfer to keep records of the name of the beneficiary and the beneficiary account number or the beneficiary unique transaction reference number. You are required to keep these beneficiary records for five years from the end of the business relationship with your customer that the wire transfer relates to (or five years from the date of the transaction if it is an occasional transaction). This aligns with other record keeping obligations relating to the originator information, refer s50 of the Act.

Regulation 15E

For Intermediary Institutions

Regulation 15E sets out additional requirements for intermediary institutions in relation to international wire transfers. As an intermediary institution, your AML/CFT programme must now include adequate and effective procedures, policies, and controls for:

- a) determining what reasonable steps you 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 you will apply if an international wire transfer does not contain any of that information.

Regulation 15F

For Beneficiary Institutions

As a beneficiary institution, you must use effective risk-based procedures for handling wire transfers that are not accompanied by all required originator and beneficiary information.²

To enable you to do this, regulation 15F requires a beneficiary institution of an international wire transfer to include in its AML/CFT programme adequate and effective procedures, policies, and controls for:

- a) determining what reasonable steps you 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 you will apply if an international wire transfer does not contain any of that information.

² Section 27(5)(a)