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**From:** [REDACTED]@remax.co.nz>  
**Sent:** Friday, 3 December 2021 12:03 pm  
**To:** aml  
**Cc:** Real Estate Institute of New Zealand Inc  
**Subject:** AML/CFT Act Review  
**Attachments:** Letter Head -REINZ letter.docx

Please find attached feedback from RE/MAX NZ Group concerning the AML/CFT Act Review.

Should you require any further details please contact the writer.

[REDACTED]

National Licensing and Compliance Manager AREINZ

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**RE/MAX** New Zealand  
Each Office Independently Owned and Operated.

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**Submission: To the Real Estate Institute of New Zealand on Behalf of RE/MAX NZ.**

**Concerning: Our Industry Completing AML/CFT CDD Verification of Buyers/Customers.**

**RE/MAX New Zealand** are the master franchisor for a national network of 32 offices throughout New Zealand with a total staff of 310 employers/employees, and the writers make this submission on behalf of this group.

**Background:** In January 2019 the Real Estate Industry became responsible under the Anti Money Laundering /Counter Terrorism Act (AML/CFT) to complete Customer Due Diligence (CDD) on all of our current and potential new clients prior to us being able to commence carrying out Agency work on their behalf. This required the creation of a new resource with the implementation of a compliance programme following risk assessment and a whole new level of infrastructure with the associated cost to carry out this work. The compliance of the programme also requires us to report suspicious transactions and activities to the Financial Intelligence Unit of the New Zealand Police, annual reports to our Supervisor the Department of Internal Affairs and an Independent Audit of the robustness of our Compliance Programme. Customers who are our buyers, with the exception of those who we have a buyer's agency with are responsible to complete their due diligence with our colleagues the solicitors and conveyancers.

In summary this seems to work well with Agency(s) collecting the personal information of their own clients the **sellers** prior to commencing agency work and the legal fraternity collecting their clients the **buyer's** personal information at the time after the sale has been completed and prior to the legal settlement of their purchase.

**Proposed Changes:** We understand now that it is proposed that this procedure is to be changed to fall in line with overseas practice. With the collection of the customer/buyer(s) personal information being collected by the Real Estate Agency that completes the sale.

We would question why after three years following the implementation of this programme are our supervisor(s)proposing a complete change to the current procedure?

We would also question if this were to happen, at what point would the CDD on the buyers be collected?

With this proposed change, would it be a requirement that CDD be conducted prior to the transaction being carried out, as is the case with our current commitments to complete the vendors CDD, or at a time after the conclusion of the transaction as is the case with the purchasers through their legal representative?

Should CDD be required to be completed on the buyer prior to the sale taking place it would be **chaotic**, if this were the case imagine the scenario where we are selling a property by the

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Auction method of sale and come time for the auction, we have 10 potential customers/bidders that are competing to buy the property. Does this mean that we complete CDD on all 10 potential customers when only one can end up buying the property? Buyers also work with other agencies to buy property. Does this also mean that they need to share all of their personal information with all the agencies they are working with before they end up buying the property, they finally end up purchasing?

This proposed change does not seem to make any sense and we would like to raise our concerns at the extra administrative resource with associated costs that this change would incur to our network and therefore we wish to raise our **strong opposition to this proposal, not only will this be burdensome and unpractical it will see our compliance costs escalate for no other reason than to fall in line with overseas practices.**

**Don Ha**

**Mala Maharaj**

**Alan Elliott**

**Chief Executive Officer. Chief Operating Officer. National Licensing and Compliance**

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