

20 February 2024

██████████
By email: ██████████

Dear ████████

Your request for information under the Official Information Act 1982 (OIA)

We refer to your request for information sent to the Ministry of Justice dated 21 January 2024. On 15 February, the following question was transferred to the Financial Markets Authority (FMA):

2. Regarding due diligence and identifying customers- Is online customer identification acceptable, or is it all done in person? What can be done online (identification, verification, beneficiary declaration, etc.)? How is the online process performed? Does it include and require a video call/humanity test?

The FMA is one of three AML supervisors under the Anti Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act). Our response to your question is below.

The AML/CFT Act includes a requirement to obtain and verify a customer's identity information.

Verification of identity must be done on the basis of documents, data, or information issued by a reliable and independent source. While the AML/CFT Act is technology neutral, the three AML/CFT supervisors have developed a code of practice for the verification of the name and date of birth of persons assessed as low-medium risk. Part 3 of the code of practice anticipates verification online using an electronic source(s).

For more information about documentary identity verification and electronic identity verification, please refer to the [Amended Identity Verification Code of Practice 2013](#) and its [2021 Explanatory Note](#).

Following the code of practice is not mandatory, but when it is used for customers for whom the reporting entity has determined to be low or medium risk, it provides a 'safe harbour'. If a reporting entity chooses to opt out of a code of practice, it is still required to comply with the verification requirements by some other equally effective means.

You have the right to seek an investigation and review by the Ombudsman of this decision in relation to information request under the OIA. Information about how to make a complaint is available at www.ombudsman.parliament.nz or phone 0800 802 602.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Ariarna Hakaraia', with a stylized flourish at the end.

Ariarna Hakaraia

Manager, Internal Governance and Oversight