



DIMENSIONGRC

Governance Risk and Compliance made clear.

AML/CFT Compliance during Covid-19 lockdown...

The vital shift to remote working, combined with an employer's understandable desire to maintain productivity in a time of economic uncertainty, risks AML compliance becoming a distant consideration.

Cautious businesses should be reinforcing to their customer facing employees, that although the office is empty with working remotely, customer risk assessment and customer due diligence (CDD), extending to verification of individual and corporate clients, including beneficial owners **must** still be performed, before any work commences.

An exception only arises if the prospective client is assessed as posing a low risk of money laundering or terrorist financing and it is considered 'necessary' to delay verification to avoid interruption to business. If this exception is to be relied upon, the reasons must be documented.

It is vital at this time that businesses of all sizes review their AML policies to ensure they are equipped to deal with all AML, client on-boarding and CDD issues remotely, with additional resource in place to support employees at the senior management level.



Risk Based Approach:

The number one point to remember is the AML/CFT Act prescribes a risk based approach for both customer due diligence (CDD) and transaction monitoring.

What does this mean when working with your **current customers**?

You have the discretion to not necessarily sight certain documents in certain circumstances – this depends on the money laundering/financing of terrorism (ML/FT) risk you have placed against that particular customer in your risk assessment. An example of this would be you accept scanned copies of documents as an interim measure with the originals being sighted at a reasonable time later.

It is vital that staff record detailed notes of those that require follow-up especially if you do not have an AML/CFT solution.



Know Your Customer:

What does this mean when onboarding **new customers**?

Where a customer's identity cannot be verified face-to-face due to the inability to provide original identity documents, the Act has the following provisions:

1. The delayed verification of a customer's identity can be put in place where business continuity is placed at risk – Covid-19 is an example of this. Use scanned copies coupled with process below.
2. Verification of identity is completed as soon as is practicable after Covid-19 limits have been lifted.
3. Ask your prospective client for a face to face meeting using Zoom (great if you need to have more than one person, other than yourself, on the call), over Skype or WhatsApp. <https://zoom.us>
4. Ask for one additional proof of address from directors
5. Go to <https://www.nzbn.govt.nz/> and conduct a search on the NZBN to ensure address matches and directors are all onboarded

Dimension GRC can also provide an onboarding form that staff can then take the prospective customer through, ensuring they are covering all risk areas highlighted in the Act. [Contact us for a free onboarding form.](#)

Electronic verification allows a reporting entity to verify a person's identity without having to be face to face. [Dimension GRC can carry out this service on your behalf over the lockdown period if required.](#)



Suspicious Activity Monitoring:

Beware of customers using Covid19 as an excuse to speed up transactions.

Given the reduced number of transactions you are likely to be monitoring at this time, if you do not have an AML/CFT solution in place, our advice would be managing them thorough manual monitoring,.

Any transaction a customer wants to expediate, for whatever reason, should be investigated.

Adjust the thresholds that trigger alerts for suspect transactions – your customers are modifying their behaviour in response to the pandemic. Most transactions will be fine but it is important that you do not miss that one transaction that is a customer exploiting the softening of compliance over Covid-19 lock down. [When in doubt investigate or contact us for free advice!](#)



Collaboration:

With your staff working remotely there are a couple of measures you can put in place to mitigate risk:

1. If responsibilities change between staff members i.e. the removal of delegated authorities or the rotation of responsibilities, try and have a 15-20 minute window where your staff discuss what happened over the day. Zoom is a great collaboration tool to get your staff talking. The paid version allows for up to 100 people to meet at one time so you can also use this time to bring your people together in other ways.
2. Introduce an extra 'oversight' role so your team have someone to escalate issues or questions to. This ensures you proactively detect anything that falls through the cracks. [If you do not have the resource for this additional 'oversite' role, Dimension GRC can be that contact point, free of charge.](#)
3. Add extra logins and access to assist staff – this could be within your customer relationship management systems or practise software. The more visibility staff have, the better understanding they have of who they are dealing with and the history surrounding that customer. Remember the employment contracts your staff signed should prevent them from misusing client information ensuring you are covered until things return to normal.



Free Advice:

Any questions you may have – no matter how small or seemingly insignificant – please contact us through our website:

<https://dimensiongrc.com/contact-us/>

or call on 0800 863 463



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Dimension GRC makes compliance effortless and effective,
so our customers can focus on their business
with peace of mind