

Legal alert - AML/CFT: phase 2 exposure draft

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On 13 December the Ministry of Justice released its exposure draft of the second phase of the anti-money laundering/countering financing of terrorism (AML/CFT) legislation (the first phase was the general coming into force of the AML/CFT legislation in 2013). The second phase takes the form of a bill to amend the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. The Government has stated its intention to introduce the bill to the House early in the New Year and have it passed by mid-2017.

The second phase will extend the AML/CFT legislation to cover a range of other occupations including lawyers, real estate agents, accountants, and dealers in high value goods. This will mean that the affected occupations will have AML/CFT obligations imposed upon them in line with those currently applying to financial institutions and casinos. The expected implementation date ranges from six months after the legislation is enacted for lawyers (that is, towards the end of 2017 if the legislation is passed according to the Government's schedule) to 24 months after enactment for dealers in high value goods (expected to be mid-2019). Other proposed changes in the bill include expanding the existing suspicious transaction reporting obligations to include 'suspicious activities', and a number of changes intended to reduce compliance costs.

The draft legislation and an explanatory information paper can be found on the Ministry of Justice website [here](#). The Ministry is seeking comments on the proposals, and interested persons have until **27 January 2017** to make submissions.

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