Less prescription, more accountability:

Redesigning AML/CFT processes for the proposed regime

The Bill and the new future it proposes: Is your organisation ready?

1. Risk Assessments will drive more decisions at the front line

Risk assessments may directly inform customer decisions, including when simplified CDD can be applied. They need to be operational, with clear criteria and evidence.

- Define qualifying circumstances and decision criteria
- Set information, verification and monitoring requirements
- Ensure staff can demonstrate that decisions are reasonable

2. Reporting groups will need to enhance their intra-group oversight

The reporting-group framework may enable shared programmes, CDD and reporting, however each reporting entity remains accountable for the result.

- Determine the group boundary (apply ownership, control and integration tests)
- Establish governance for shared activities, information and privacy
- Clear responsibility for monitoring, escalation and remediation when controls fail

3. Workflows will need to be more connected

Sanctions, investigations, transaction monitoring and enforcement orders need to operate as an end-to-end process, with clear roles and escalation.

- Integrate sanctions screening across onboarding, monitoring and reporting
- Prepare for information production and freezing orders
- Test response processes and address gaps before an urgent request is received

4. Readiness must be demonstrated

Updating a policy is not enough. Effective implementation requires connected processes, controls, evidence and system changes.

- Link each change to an owner, process step and control
- Distinguish optional relief from new requirements and stronger consequences
- Demonstrate consistent execution and audit-ready evidence

KPMG New Zealand's AML/CFT specialists can support organisations to assess how the proposed reforms may affect their operating model and teams, clarify roles, RACI arrangements and decision-making accountabilities, and design a practical future-state people model and transition roadmap.

*Customer Due Diligence (CDD)

This series provides a thematic and quantitative perspective on the Anti-Money Laundering and Countering Financing of Terrorism (Omnibus) Amendment Bill for general information. The Bill may change before enactment.

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