From rules to judgement:

The people implications of the proposed AML/CFT reforms.

The Bill and the new future it proposes: how will your operating model and team be impacted?

1. Greater discretion, more responsibility

The proposed simplified CDD pathway and other changes will require employees to exercise greater judgement, supported by clear criteria, examples and escalation routes.



Recognise when simplified CDD applies



Understand what information and verification remain necessary



Identify when a customer no longer qualifies

2. Sanctions capability needs clear ownership

Sanctions will be more closely integrated with AML/CFT programmes, risk assessments and reporting, requiring coordination across multiple teams.



Clear ownership and escalation



Distinguish a possible match from an actual designated person



Understand what can be communicated during assessment



Be ready for further rules from the supervisor

3. Shared delivery, clear accountability

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



Know who made the decision and what information was used



Monitor shared services and entity-specific requirements



Clear escalation and remediation when shared controls fail

4. Readiness requires more than training

People, capability and accountability will be critical to using greater discretion while managing stronger consequences.



Different capabilities for different roles



Clear RACI matrix, decision rights and authority limits



Demonstrated through the quality, consistency and traceability of decisions



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) | Enhanced Customer Due Diligence (ECDD) | Responsible, Accountable, Consulted, Informed (RACI).

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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