

# 2SHAKES - AML CDD

## FOR HIGH VALUE DEALERS (AML ONLY)

2Shakes Ltd, Wellington, NZ

2Shakes AML CDD For High Value Dealers (AML Only) v1 August 2019

# Automating AML Customer Due Diligence

## Fast, Easy & Repeatable

Automate AML CDD into your onboarding. 2Shakes gives your staff an easy & fast repeatable process for onboarding.

## Simple, Secure & Robust

2Shakes connects to external trusted sources to help you make informed decisions. You can electronically verify ID both in person or remotely. When you need to hold evidence, you can securely store files in 2Shakes.

## Auditable

2Shakes lets you record your findings, decisions, files, ID verifications, company structure, risk assessments and notes. It's all together, stored securely in the cloud. An AML report shows it together, ready for review.

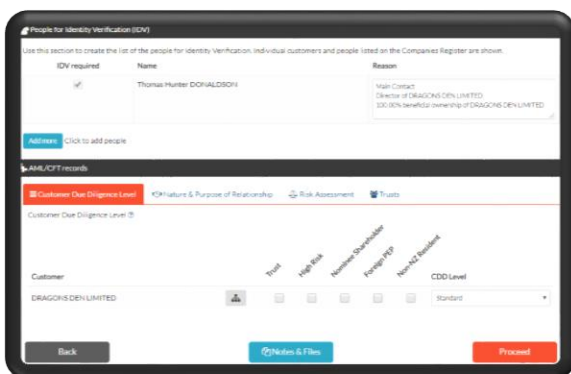
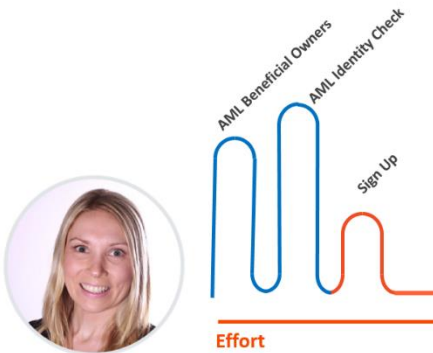
## Made in New Zealand

2Shakes is NZ made and tailored to New Zealand's AML/CFT legislation. We have great tools to automate AML/CFT compliance during onboarding, and we have 100's of delighted NZ customers.

## Know Your Customer

For AML Phase 2 Reporting Entities, onboarding must now include additional steps for AML/CFT compliance. You will need to:

- **Beneficial Owners**  
Know Your Customer – Determine the 'risk profile' of a customer and find the individuals who are Beneficial Owners, who own, benefit or are in effective control.
- **Identity Checks**  
Perform Customer Due Diligence – Verify the Identity of the individuals and for some customers confirm the source of their funds.



## Features

- **Risk & CDD level:** Records the risk assessment & CDD level
- **Nature & Purpose:** Records what is 'normal' for relationship
- **Beneficial Owners:** Pull down directors, shareholders, possible trusts and foreign companies related to your customer
- **Identity Verification** electronically matches Name, DoB and address details against trusted external data sources like Passports and NZTA for driver's licenses & does PEP checks.
- **Audit Records** Provide records for AML/CFT audit and annual statistics.

**Important:** 2Shakes does not come with any guarantees warranties or liabilities regarding legislative or other compliance. Reporting Entities subject to AML/CFT legislation must operate their own AML programme, and have sole responsibility in determining the suitability of any part of that Programme, including any software tools used. 2Shakes is a software tool designed to help you meet your AML Phase 2 compliance requirements and needs to be used appropriately within your AML Programme. 2Shakes is supplied subject to our Terms of Use (see <http://2shakes.co.nz/terms-privacy/>).

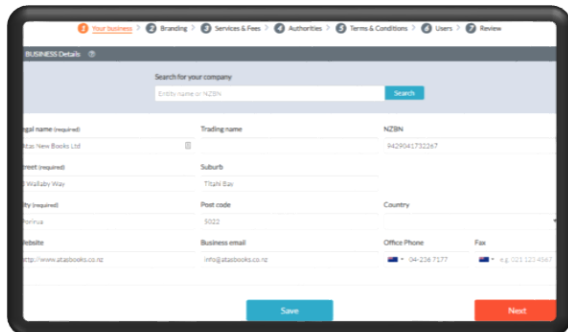
## Contents

1.0	Quick and Simple Profile Setup .....	3
2.0	AML Customer Due Diligence - Individuals .....	4
3.0	AML Customer Due Diligence - Companies .....	9
4.0	AML Customer Due Diligence - Trusts .....	13
5.0	AML Reports and Statistics .....	15

# 1.0 Quick and Simple Profile Setup

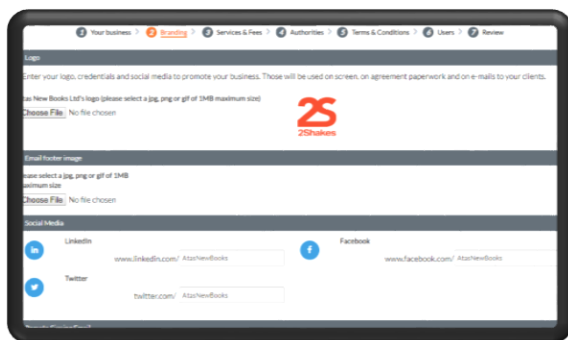
This first time you log on to 2Shakes you are asked to set up your Business Profile.

As a high value dealer wanting to use 2Shakes for **AML Only**, this is as simple as entering:



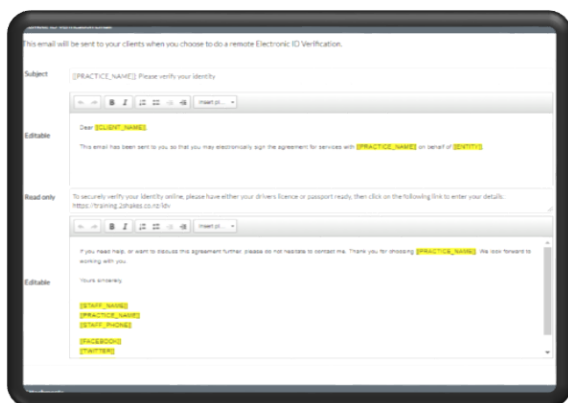
## 1. Your Business Details

Either search for your company using the New Zealand Business Number or type the details in yourself.



## 2. Your Branding (optional)

Add your logo, an email footer, and your social media handles. That way, your clients will know it is you asking them to verify their identity.



## 3. Your Email Wording

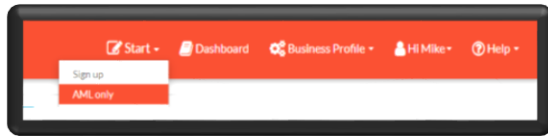
2Shakes can send your clients an email to verify their identity electronically. You can choose your own wording for that email, or use our standard template.

## 2.0 AML Customer Due Diligence - Individuals

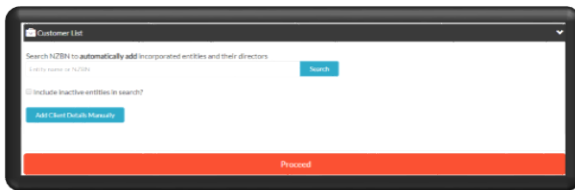
When your customer is an Individual (or individuals), 2Shakes helps you capture all the information you need to complete your AML CDD.

### Step 1 - The Customer List

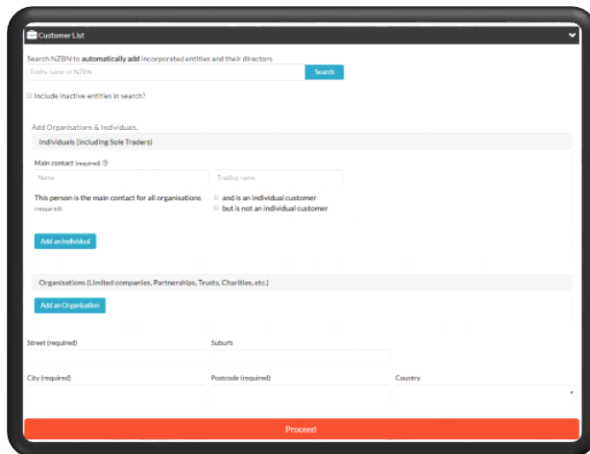
The first step is to say who the customer is. We do this by building the Customer List.



From the top menu, Click **Start>AML Only** to Begin.

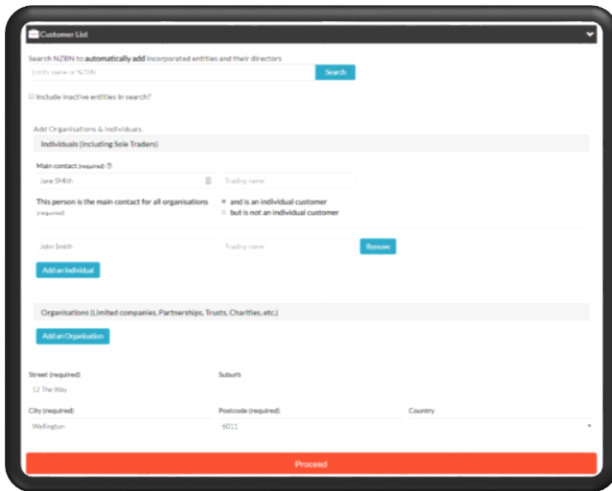


Since Individuals are not searchable through NZBN, click the **Add Client Details Manually** button.



This will expand the Customer List page ready for information to be added.

You will enter the individual(s) details manually.



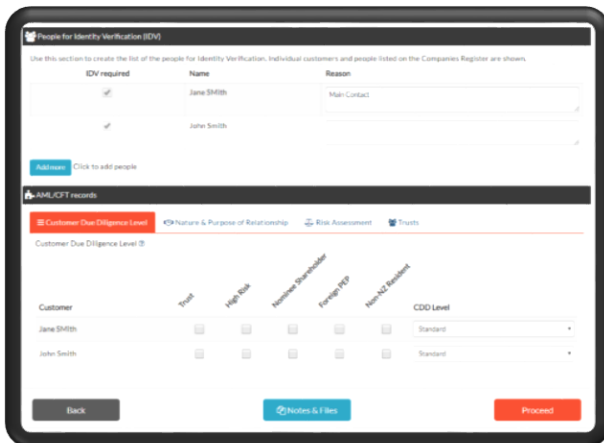
Here, the Main Contact is likely to be the customer, in which case select the radio button “and is an individual customer”.

If there is more than one individual becoming the customer, click **Add an Individual** to add the second customer.

Enter the address, and Proceed.

## Step 2 - AML CDD

In the next step we say who needs to be Identity Verified (IDV’ed), and capture other required Due Diligence information (Records).

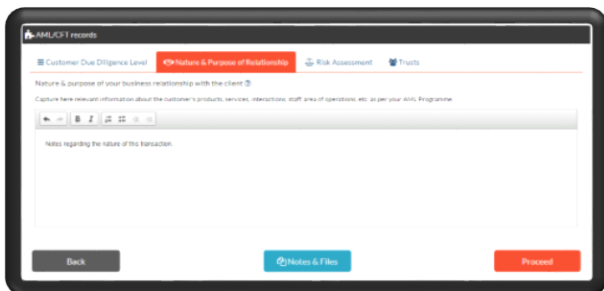


On the AML CDD Screen, all entered individuals will be pulled through as People for IDV, and will show separately on the AML Records section.

The AML Records tabs allow you to capture CDD information.

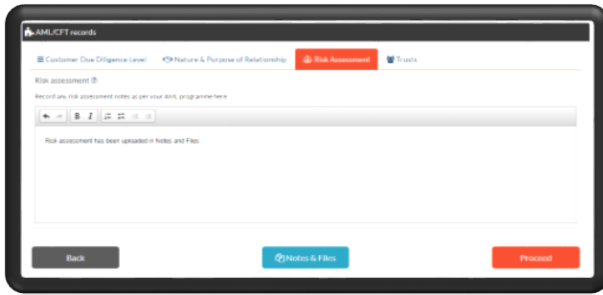
### CDD Level

Leave CDD Level at Standard and ignore the enhanced factor checkboxes. High value dealers are only required to carry out Standard CDD on customers (including on trusts and politically exposed persons).



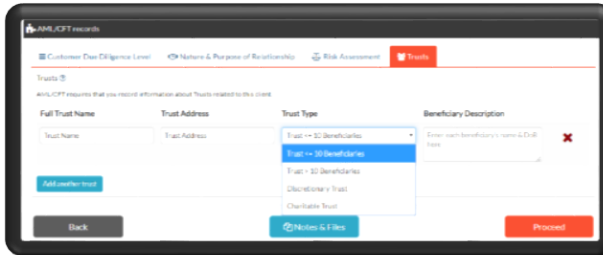
### Nature & Purpose

In Nature and Purpose you can briefly describe the reason for CDD (transaction amount, and brief details).



### Risk Assessment

You can leave Risk Assessment blank. High value dealers do not need to complete a risk assessment.



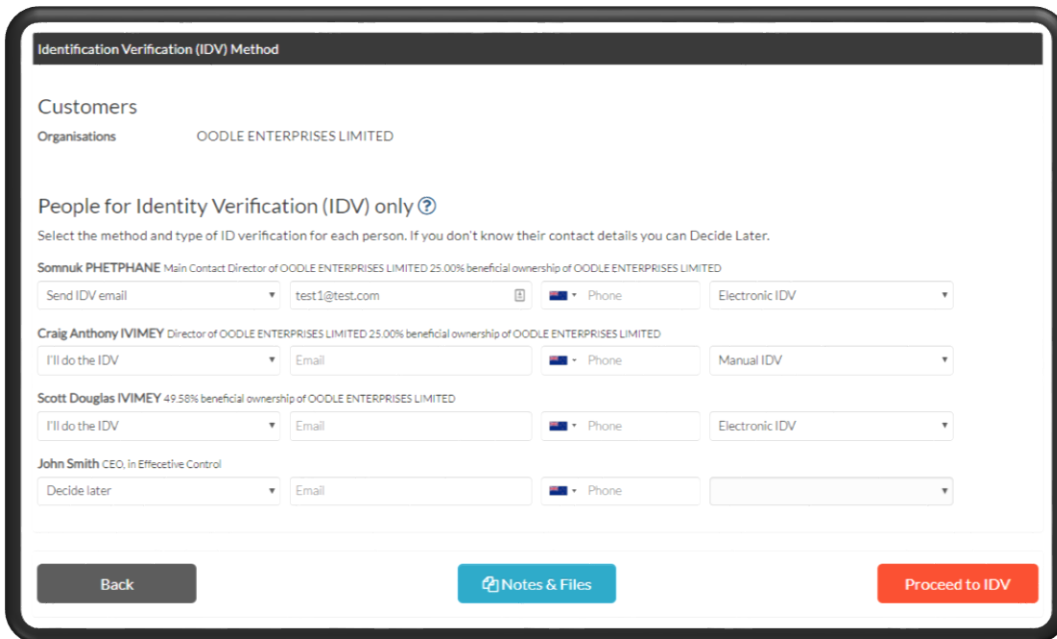
### Trusts

The Trusts tab is not used for purchases by individuals.

Click Proceed to continue.

## Step 3 – IDV Method

Next we need to choose the method of ID Verification for each of the people selected.



The options for IDV Method are as follows:

**Send IDV Email – Electronic IDV:** This sends an email link to the person (the email that you customized in your Profile). This will bring them to a screen to enter their information and be IDV'ed electronically.

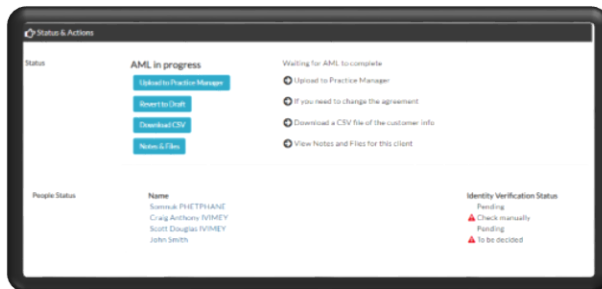
**I'll do the IDV – Electronic IDV:** This is where the person provides you with their information and consents to you verifying. You enter the information and it gets electronically verified.

**I'll do the IDV – Manual IDV:** Here you do a face to face IDV of the person, and you can scan the documents and store them in Notes & Files.

**Decide Later:** If you aren't sure how you will do the IDV at this point, select Decide Later, and you can choose once you know.

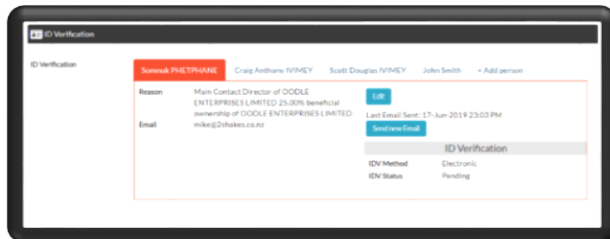
## Step 4 –AML Management

After choosing IDV Method and clicking Proceed to IDV, you manage the rest of the CDD process in the AML Management screen.



### Status & Actions

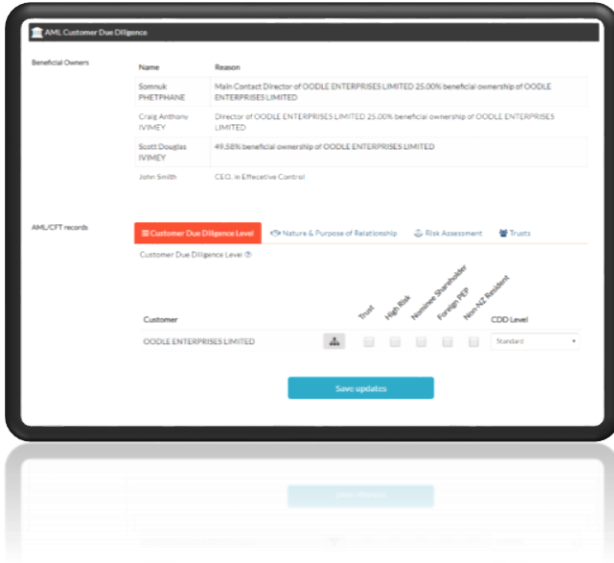
The Status & Actions section shows overall status, the actions that can be performed, and the status for each person being IDV'ed.



### ID Verification

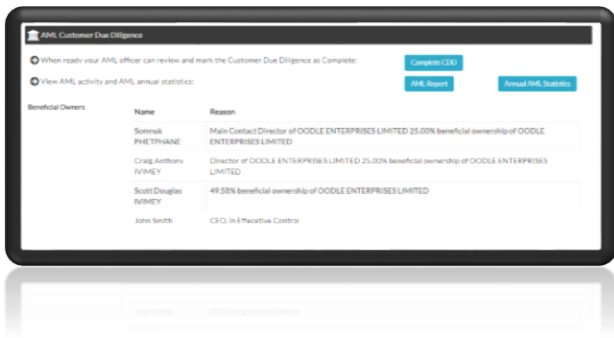
Manage each person for IDV in their tabs. Edit to change settings, and view IDV Reports when done.





### AML CDD

Complete any additional due diligence information you need to capture.



### AML Pending – AML Complete

Once all Individuals have been IDV'ed, you will see the **Complete CDD** button.

An AML Officer (see Profile>Users) can click this to Complete CDD.

Click **AML Report** to see all the CDD done for this customer.

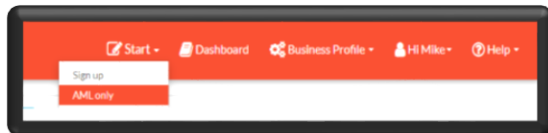
The **Annual AML Statistics** show the amount of CDD done in any period. High value dealers don't need to submit an annual report.

### 3.0 AML Customer Due Diligence - Companies

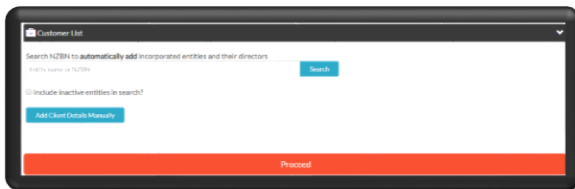
When your customer is a Company, 2Shakes can pull information on ownership, directors and structure from Companies Office using the NZBN.

#### Step 1 - The Customer List

The first step is to say who the customer is. We do this by building the Customer List.

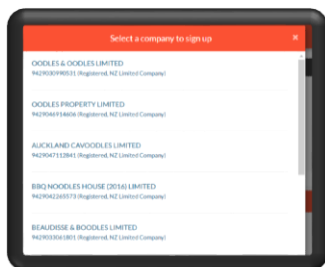


From the top menu, Click **Start>AML Only** to Begin.

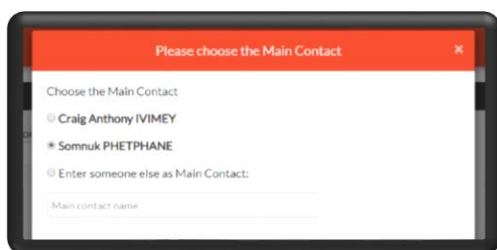


Next, enter the name of your Company customer, and click **Search**.

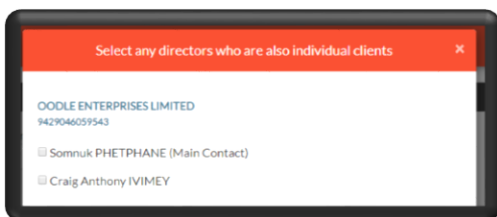
This will start the Customer Wizard.



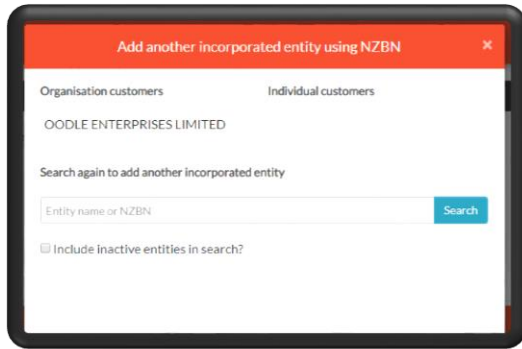
Choose the Company from the list.



The NZBN wizard will ask to select your **Main Contact**. Select a Director, or add someone along with their position

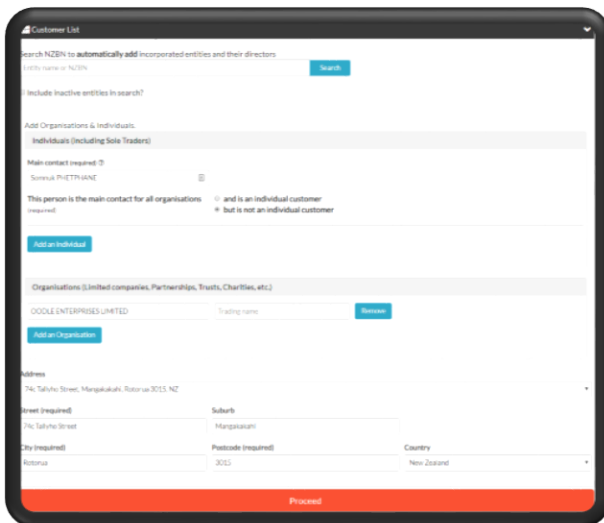


Then choose whether any of the directors are also becoming individual customers.



If there are other related companies that will also become customers, search for them now.

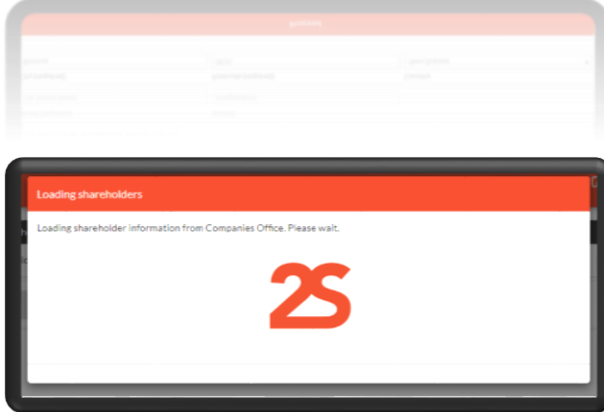
If not, select Done to complete the wizard.



You are returned to the main **Customer List** screen.

This has now been populated using NZBN.

Verify the information and click **Proceed** when ready – your **Customer List** is complete.

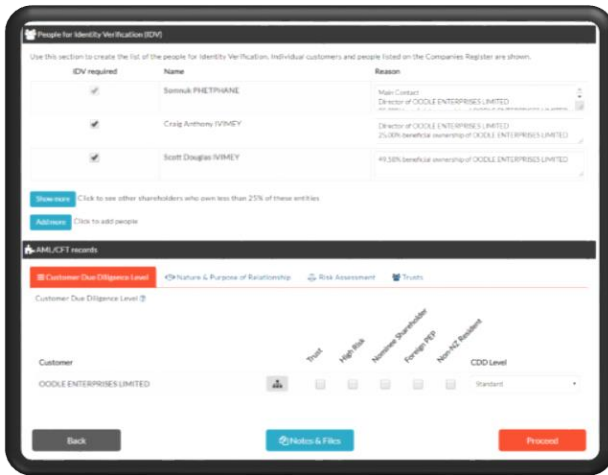


You will see a loading screen as company shareholder information gets pulled from NZBN.

This normally takes less than ten seconds, though very large structures can take several minutes.

## Step 2 – AML CDD

In the next step we say who needs to be Identity Verified (IDV'ed), and capture other required Due Diligence information (Records).

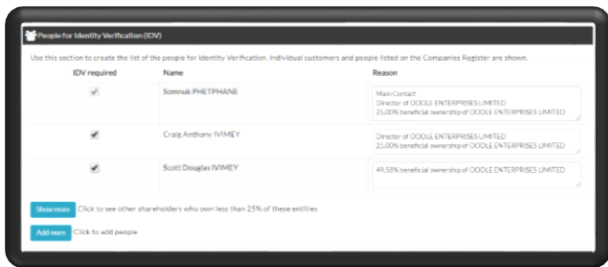


When the NZBN information has loaded, you move to the AML CDD Screen.

This is where you decide on the People for IDV (the Beneficial Owners) as well as capture your CDD record information.



2Shakes will populate People for IDV with people who are Directors, or who have 25% or more effective ownership in the company. The Main Contact is also added.

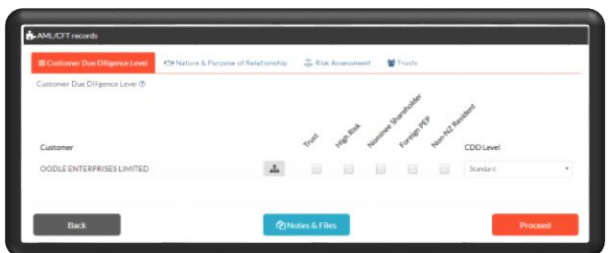


Shareholders under 25% can be viewed by clicking Show More.

Additional Beneficial Owners who are to be IDV'ed can be added using Add More.



*NB: If a Trust owns shares in the company, you will see Shareholdings to resolve manually. This may involve capturing additional trust info, and adding more Beneficial Owners.*



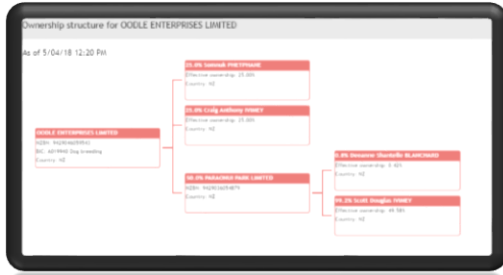
The AML Records tabs allow you to start capturing CDD information.

### CDD Level

Leave CDD Level at Standard and ignore the enhanced factor checkboxes. High value dealers are only required to carry out Standard CDD on customers (including on trusts and politically exposed persons).



The structure button will display the ownership structure for entities on the agreement.



The structure is automatically created from the NZBN ownership data.

Country is shown for entities.

Industry BIC codes, where provided, are translated into industry classifications.

### Nature & Purpose

In Nature and Purpose you can briefly describe the reason for CDD (transaction amount, and brief details).

### Risk Assessment

You can leave Risk Assessment blank. High value dealers do not need to complete a risk assessment.

### Trusts

If your customer is a Trust, or a Trust owns 25% or more of your customer, you need to capture additional information.

2Shakes helps show the information you need depending on the trust type.

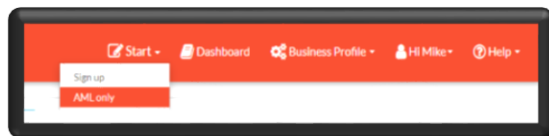
Proceed with IDV of people as before.

## 4.0 AML Customer Due Diligence - Trusts

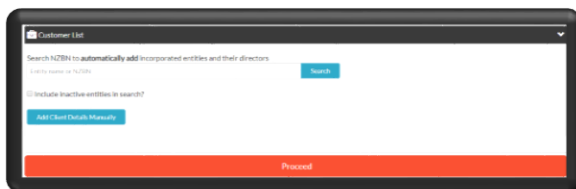
When your customer is a Trust, 2Shakes helps you capture all the information you need to complete your AML CDD. Here we will go through the extra steps you take when your customer is a Trust.

### The Customer List

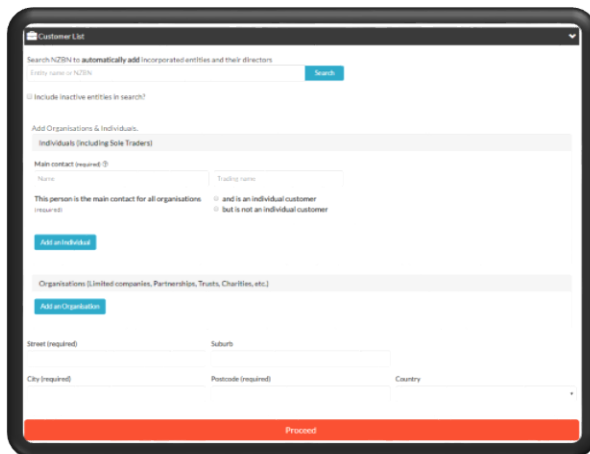
As with a company customer, we start with the Customer List.



From the top menu, Click **Start**>**AML Only** to Begin.



Since Trusts are not searchable through NZBN, click the **Add Client Details Manually** button.



This will expand the Customer List page ready for information to be added.

You will enter the Trust details along with the **Main Contact** you are dealing with.

The Main Contact is likely to be a Trustee. Unless they are also going to be a customer in their own right (as well as a Trustee of the Trust) select the radio button “but is not an individual customer”.

Click **Add an Organisation** to add the Trust.

Enter the address and then Proceed.

## AML CDD

Unlike with a NZBN company, only the Main Contact is automatically selected as a person for IDV. You will need to add additional People for IDV.

Since this is a Trust, selecting the Trust checkbox will change the CDD Level to Enhanced.

**Change the CDD Level back to Standard.**

Fill out Nature and Purpose as before.

### Trusts Tab

When you select the Trust checkbox, the name and address of the trust is automatically copied through to the Trusts tab.

Select the Trust type, and enter the additional information required.

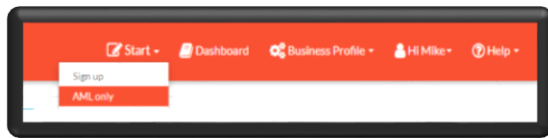
NB: It is normal to get a copy of the Trust Deed, in order to determine Trustees, Settlers and Beneficiary information, and add people for IDV as required.

Proceed with IDV of people as before.

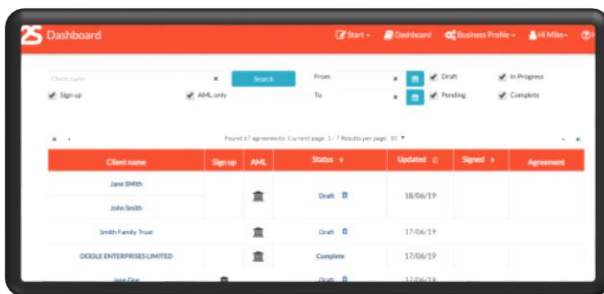
## 5.0 AML Reports and Statistics

If you are being audited, you will be able to demonstrate the CDD you have carried out in 2Shakes, both at an individual customer level, and the overall statistics on your CDD activity.

2Shakes **automatically creates** an AML CDD Report for each customer which you can show an auditor as needed.



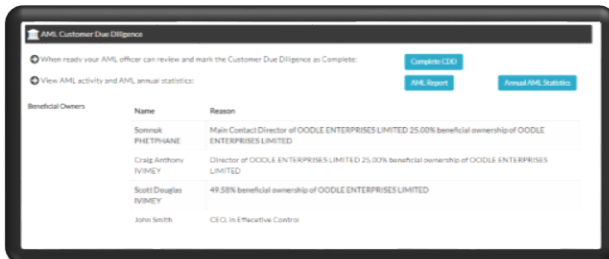
Go to **Dashboard** from the top menu.



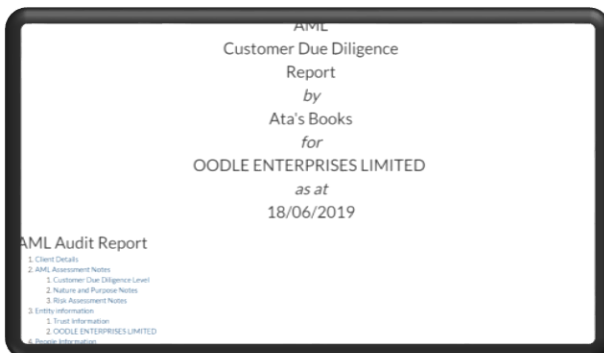
In Dashboard you will see all customers and their current status.

Click on the customer or status to open their Management page.

If Draft, you go back to where you left off.

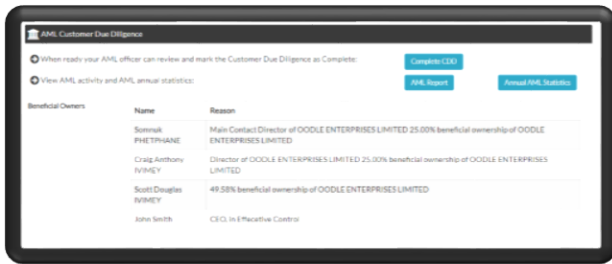


In the AML CDD section, click **AML Report** to see all the CDD done for this customer.

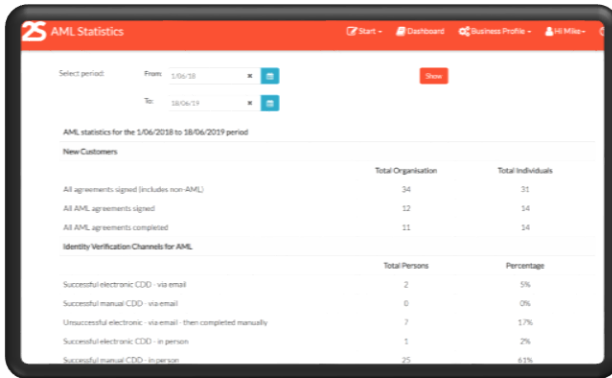


The **AML Report** shows all due diligence completed for this customer, and is a great way to demonstrate to auditors the CDD activity you have carried out.





Back in the AML CDD section, click **Annual AML Statistics** to see a report of your annual statistics.



Select the date range, then **Show**.