# 2SHAKES – AML CDD DESCRIPTION FOR REAL ESTATE AGENTS

2Shakes Ltd, Wellington, NZ

2Shakes AML Only – Description For Real Estate Agents v5 June 2019

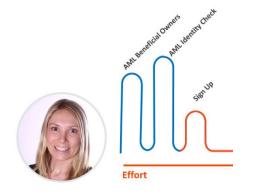
# Automating AML Customer Due Diligence

### 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 Real Estate Agents, from 1 January 2019 on-boarding needs to 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.

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# 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 at 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 <u>help you</u> meet your AML Phase 2 compliance requirements and needs to be used appropriately within your AML Programme. 2Shakes is supplied subject to <u>our Terms of Use</u>.

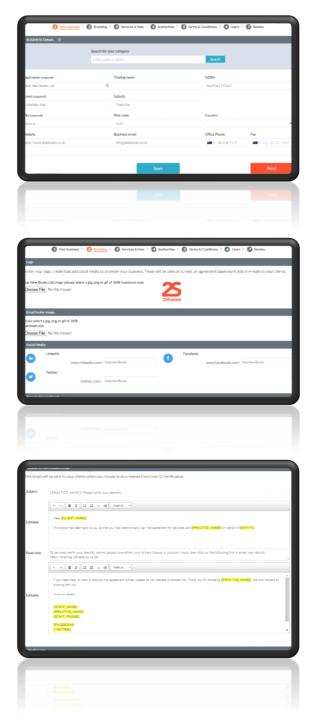
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# 1.0 Quick and Simple Profile Setup

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

For Real Estate Agents, who 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.

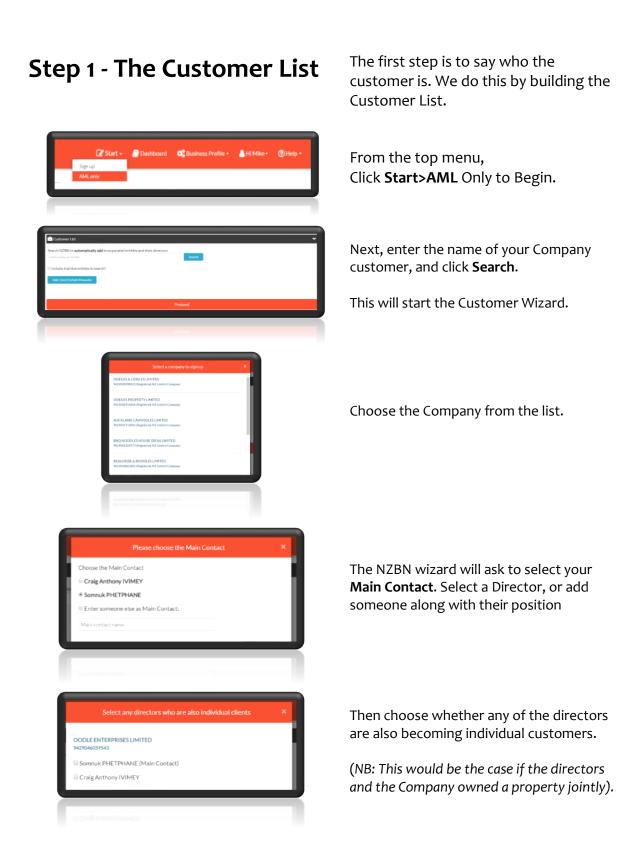
### 2. Your Branding

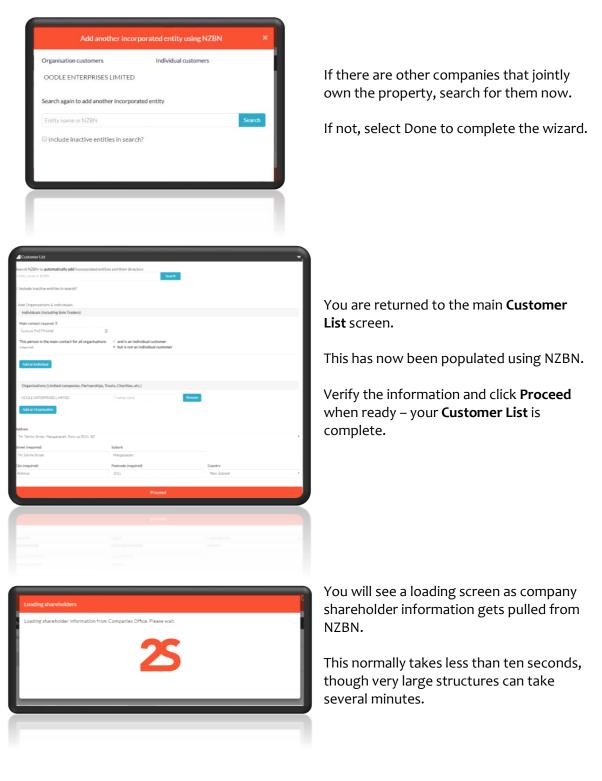
Add your logo, an email footer, and your social media handles. That way, your clients will know it is you asking them to verify their identity.

### 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 - Companies

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





### 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).

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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.



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

#### CDD Level

Select CDD level, and indicate if any Enhanced factors apply. If you select any of the Enhanced factors checkboxes, the CDD level will automatically change to Enhanced.

If you don't have all the information now, you can still add to this later.

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

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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 Capture the nature and purpose of the business relationship with your customer.

#### **Risk Assessment**

You can capture your risk assessment here, or upload to Notes & Files.

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## Step 3 – IDV Method

#### 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.

NB: This is in addition to what your programme requires on adding additional People for IDV, such as the Trustees, Settlor(s), or Beneficiaries.

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

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elect the method and type	of ID verifica	tion for each person. If you	don't know their	contact details you c	an Decide Later.	
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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.

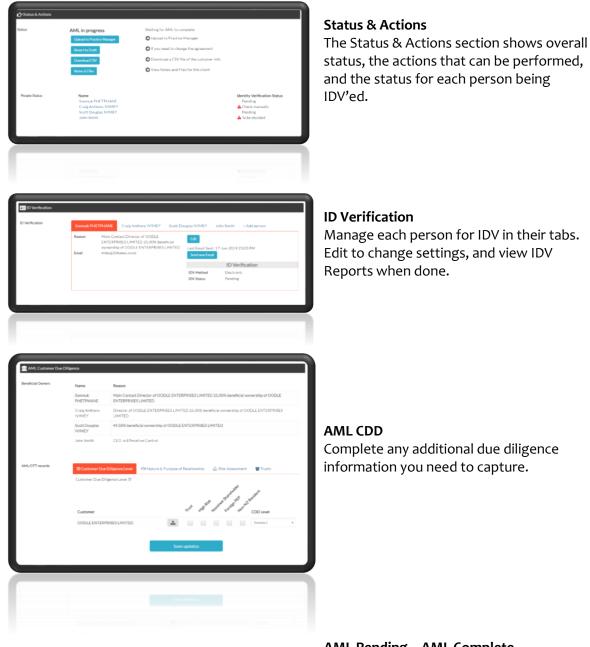
**I'll do the IDV – Electronic IDV:** This is where the person provides you with their information and consents to you verifying. You enter the information and it gets electronically verified.

**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.



#### AML Pending – AML Complete

Once all Beneficial Owners 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.

Click Annual AML Statistics to see information to help with your annual report.

When ready your A	ML officer can review and	mark the Customer Due Diligerce as Complete: Gmplete (DO
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	Craig Anthony IVIMEY	Director of OODLE ENTERPRISES UMITED 25.00% beneficial ownership of OODLE ENTERPRISES UMITED
	Scott Dougles IV/MEY	49 SBN beneficial ownership of OODLE ENTERPRISES LIMITED
	John Smith	CEO, In Effective Control

# 3.0 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.

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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.

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.

Customer List		~
Search NZBN to automatically add incorporated entitie	s and their directors	
Entity name or NZEN	Starth	
Include inactive entities in search?		
Add Organisations & Individuals.		
Individuals (including Sole Traders)		
Main contact (required ®		
This person is the main contact for all organisations insured	<ul> <li>and is an individual customer</li> <li>but is not an individual customer</li> </ul>	
Add an Individual		
Organisations (Limited companies, Partnerships, Tr	usts, Charities, etc.)	
Smith Family Trust	Trading name	
Add an Organisation		
Street (required) 3 Waltaby Way	Suburb	
City (required) Wellington	Postcode (required) 6011	Country New Zealand
	Proceed	

The Main Contact is likely to be a Trustee. Unless they are also the customer (e.g. part owner of a property for sale) select the radio button "but is not an individual customer".

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

Enter the address, and Proceed.

# AML CDD

IDV required	Name	Ividual customers and people listed on the Companie Reason	
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Click to add people			
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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.

Fill out Nature and Purpose and Risk Assessment tabs 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, Settlors and Beneficiary information, and add people for IDV as required.

Proceed with IDV of people as before.

			isted on the Companies Register are show	m.
IDV required	Name	Reason		
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×	Jane Smith	Trustee		
~	Tom Bryant	Settlor		
Add more Click to add people				
AML/CFT records				
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# 4.0 AML Customer Due Diligence - Individuals

When your customer is an Individual, 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 an Individual.

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**The Customer List** 

As before, we start with the Customer List.

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

Like with Trusts, click the **Add Client Details Manually** button.

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

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

You will enter the individuals details manually.

Customer List			~
Search NZBN to automatically add incorporated entitle	es and their directors		
Entity name or NZEN	Search		
D include inactive entities in search?			
Add Organisations & Individuals.			
Individuals (Including Sole Traders)			
Main contact (vesified (*)			
Jane SMith	Tracking name		
This person is the main contact for all organisations $\ensuremath{prop}\xspace$	<ul> <li>and is an individual customer</li> <li>but is not an individual customer</li> </ul>		
July: Smith	Trading name	Remove	
Add an Individual			
Organisations (Limited companies, Partnerships, Tr	usts. Charities, etc.)		
Add an Organization			
Street (required)	Suburb		
12 The Way			
City (required)	Postcode (required)	Country	
Wellington	6011		*
	Proceed		

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, such as a couple selling a house, click **Add an Individual** to add the second customer.

Enter the address, and Proceed.

### AML CDD

se this section to create the list of t	he people for identity	Verification, Individual	customers and pe	ople listed on	the Companies Register	are shown.
IDV required	Name	Name		Reason		
×	Jane SMith	Jane SMith		Main Contact		
~	John Smith					
Addmuse Click to add people						
AML/CFT records						
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On the AML CDD Screen, both individuals will be pulled through as People for IDV, and will show separately on the AML Records section.

All other sections are as before.

# 5.0 AML Reports and Statistics

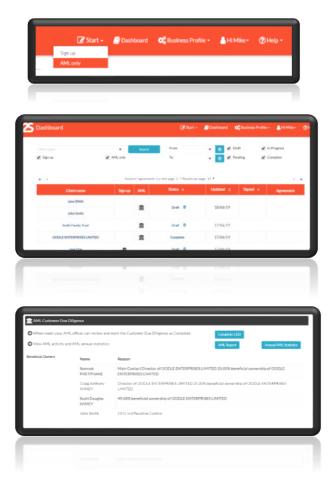
When you are being audited, wither during your own bi-annual audit, or a DIA audit, you will be able to demonstrate the CDD you have carried out in 2Shakes, both at an individual customer level, and the overall statistics on your CDD activity.

Having this information to show auditors or to help in annual report involves having all customer due diligence available in 2Shakes. Even if you are doing ID verification face to face, you still need to demonstrate that you have done CDD, including:

- Nature and Purpose
- Risk Assessment
- CDD Level
- Enhanced factors
- Notes and Files relating to CDD, decisions and narrative

So if you do face-to-face IDV you can simply select Manual IDV in 2Shakes, and use the system as your record of 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.

AIML Customer Due Diligence Report by Ata's Books for OODLE ENTERPRISES LIMITED as at 18/06/2019 AIMA AUGI REPORT 18/06/2019 AIMA AUGI REPORT 18	The <b>AML Report</b> shows all due diligence completed for this customer, and is a great way to demonstrate to auditors the CDD activity you have carried out.
Bandward and a service of the s	Back in the AMC CDD section, click <b>Annual</b> <b>AML Statistics</b> to see a report of your annual statistics.
Set control	Select the date range, then <b>Show</b> . The statistics will help you complete the DIA Annual AML Report.