Compliance guidance notes for NZ Funds products
Individual / Joint application form – information sheet

March 2023

NZ Funds is committed to maintaining the integrity and confidence in the services it provides by ensuring its portfolios are not used to facilitate any financial crimes and that it operates in compliance with all relevant laws.

This guidance has been prepared to assist with the completion of the NZ Funds Individual / Joint Application Form and to provide some background information as to why certain information is required. It is general in nature and is not intended as a substitute for professional advice. Should you have any concerns about any of the matters discussed below, or your personal circumstances, you should obtain your own professional advice.

Why am I being asked to verify my identity?

Under the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act 2009, NZ Funds, as a Financial Institution, is required to collect client identity and address information and in some cases we are also required to verify the source of funds and wealth (using documents from a reliable and independent source).

We have developed various AML forms for this purpose which are available on our website at www.nzfunds.co.nz.

As we need to collect AML information for both the individual and/or any person acting on behalf of the individual, a combination of AML forms may be needed.

The verification of documents can be done by a NZ Funds Authorised Individual[1]. Alternatively, a Trusted Referee can certify the relevant documents, along with completing the appropriate AML form(s).

Further details regarding this process are contained in the AML forms.

Why am I being asked if I am a US Person?

The US Foreign Account Tax Compliance Act (FATCA) requires all non-US Financial Institutions[2] to collect and report certain information about any account held by a US Person[3]. NZ Funds is a non-US Financial Institution for the purposes of the FATCA rules.

If you are a US Person, NZ Funds is required to obtain your US Tax Identification Number and provide it, along with certain information about your investment, to Inland Revenue (IR) in order to satisfy our obligations under the FATCA rules. IR in turn may be required to pass this information to the United States Internal Revenue Service.

1. An authorised Individual refers to an authorised person listed on the NZ Funds 'Register of Individuals Authorised to perform CDD'.
2. A Financial Institution is an entity in the business of conducting financial transactions, specifically:
   - Custodian Institutions – Entities that hold financial assets for the accounts of others.
   - Depository Institutions – Entities that accept deposits in the ordinary course of banking or similar business.
   - Investment Institutions – Entities that trade in financial assets or have discretionary authority to manage financial assets on behalf of others. This includes entities whose gross income is primarily from investing or trading in financial assets that are managed by another financial institution.
   - Specified Insurance Companies – Insurance institutions that issue investment products and make payments with respect to annuity contracts or cash value insurance contracts.
3. A US Person is someone who is a United States citizen or tax resident, or a United States Green Card holder.

Why am I being asked if I am tax resident in a country other than New Zealand?

The OECD Common Reporting Standards (CRS) rules require NZ Funds to collect and report certain information about an account holder's tax residency.

If you are tax resident in a country other than New Zealand (or the US), NZ Funds may be required to provide certain information about your investment to IR in order to satisfy our obligations under CRS. IR, in turn, may be required to pass this information to the revenue authority of the country in which you are tax resident.

More information on the CRS rules is available on the IRD's website: http://www.ird.govt.nz/international/ exchange/crs/

If you are uncertain about your tax residency, you should consult your tax adviser.