

AML/CFT Manual

This manual is designed to help you and your team understand the AML/CFT functionality in OnePractice.



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NOTE: This document contains reference to the term 'Party' – this could be a client or a non-client whose data is required for AML/CFT purposes.

Setting up OnePractice to Capture AML/CFT Details

There are many options within OnePractice available to firms to ensure compliance with the requirements of completing AML/CFT and Customer Due Diligence on clients and related parties.

Firms can customise and decide which areas of the system will be used based on their Risk Assessment and Compliance Programme.

Role Permissions

Two role permissions can be applied to user roles in the Administration ribbon. These permissions are 'AML/CFT Compliance Officer' and 'AML/CFT Senior Level Approval' (see Figure 1 below).

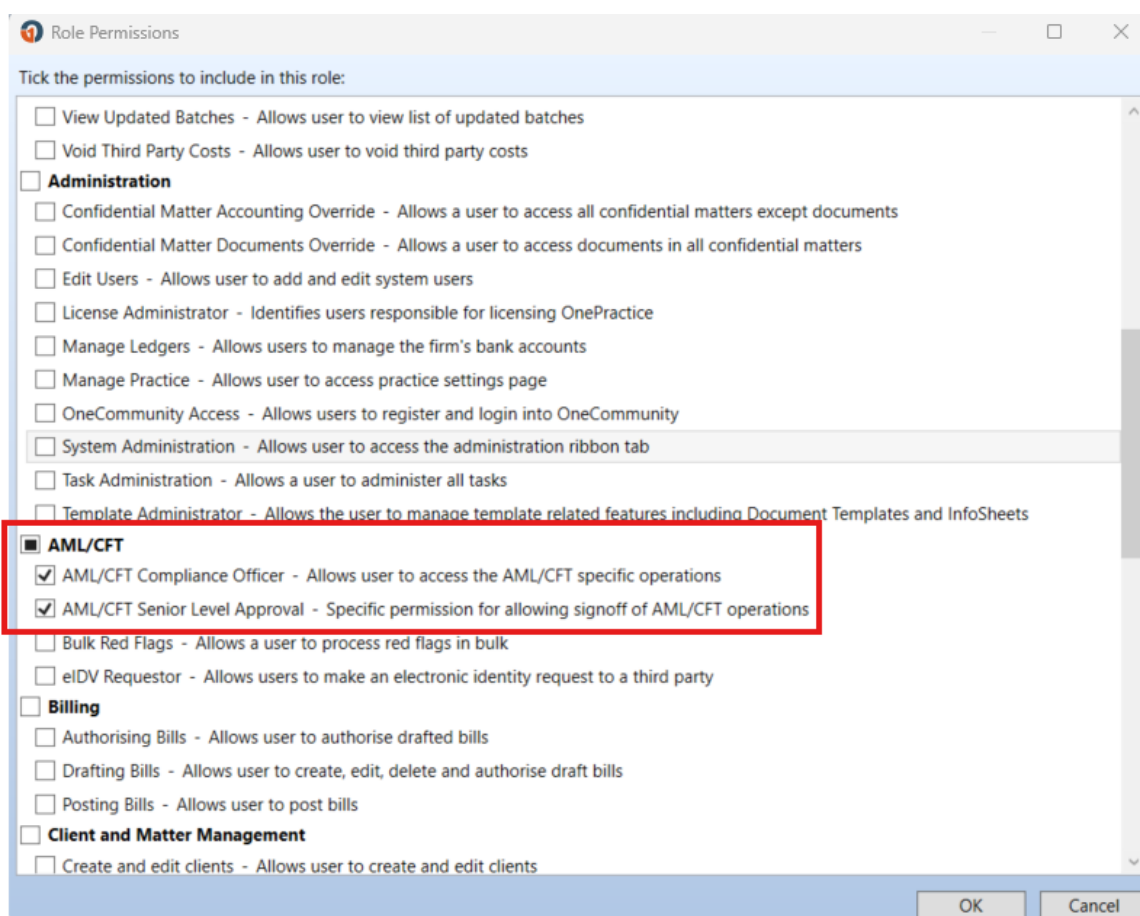


Figure 1.

The 'AML/CFT Compliance Officer' permission allows the user to delete CDD records (if they were created in error), to mark CDD records as having been reviewed including adding a review note (see Figure 2 below) and to edit Red Flags via the AML/CFT ribbon.

AML/CFT - Due Diligence

Affiliates: All have been identified

Level: Standard

Status: Complete

Result: CDD - Ok to act

Comments:

Expires: 3/11/2034

Reviewal: Reviewed by Compliance Officer

Reviewer comment:

Created by Cleminson, Jo Maree on 25/09/2024

Save & Close Close

Figure 2.

The 'AML/CFT Senior Level Approval' permission allows users with permission to be selected as the person who approved the firm to do work for a PEP (politically exposed person) in the 'Edit Client' or 'Edit Party' dialogue (see Figure 3 below).

Person Name

Full Name...: John Michael Speedy

File As: Speedy, John Michael

Mailing Name: J M Speedy

Salutation: John

Status: Client

Client Team

Edit Team Remove Team

Bex Craig
Tracey Hadwin

Client Author: Tracey Hadwin

Addresses Related Parties Referral Details Financial Tax & Residency **AML/CFT Requirement** Personal Info Categories

On-boarding: [Dropdown]

Nature & purpose of business relationship: [Table with Date, User, Description]

Risk Rating: [Table with Date, User, Risk Rating, Comment]

Client's politically exposed person (PEP) status

Client's status has been determined

Client is not a politically exposed person

Client is a politically exposed person

PEP approved by: Craig, Bex

This party has not yet been reviewed as to AML/CFT

Due diligence for AML/CFT is currently not required for this party

This party requires due diligence for AML/CFT

CDD level required: Enhanced

Reason CDD is required: Is a politically exposed person (PEP)

Source of funds and/or wealth: [Text Area]

Deactivate Stop Credit Change Type Save & Close Save & New Matter Close

Figure 3.

Practice Settings

There are practice settings relating to AML/CFT compliance that can be set under the Administration Tab (see Figure 4 below).

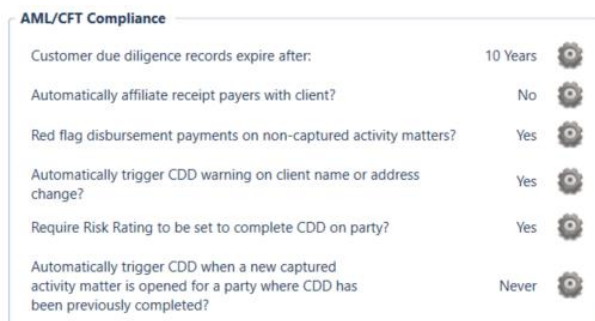


Figure 4.

- + Each firm can set how long CDD records stay valid, in days, weeks, months or years. When a CDD record expires, this can be reported on using the CDD report (see Page 31). The default in OnePractice is 10 years
- + The option to automatically affiliate receipt payers changes the default setting of the tick box on the receipt form (see Figure 37 on page 23). It is unlikely that this will be set to 'on', but the option is there should it be required
- + If a Disbursement Payment is made from a non-captured matter the system will automatically create a 'Red Flag' against that client if this is set to 'Yes'
- + A client name or address change can trigger the CDD warning by setting this to 'Yes'
- + Choose whether a Risk Rating must be set to complete CDD on a party
- + Choose whether CDD is automatically triggered when a new captured activity matter is opened for a party where CDD has previously been completed. Options are 'Always,' 'Only when CDD was completed more than X Days/Weeks/Months/Years ago' or 'Never'

Various AML Related System Codes

There are several areas containing user-definable codes that need to be set up under the Administration tab > Manage Codes (see Figure 5 below).

- + Customer On-boarding Types
- + Document Categories
- + Due Diligence result codes
- + Identity Verification Types
- + Red Flag statuses
- + Risk Rating Types

These codes will assist with the management of CDD, prescribed transactions and suspicious activity reporting review and reporting.



Figure 5.

Customer Onboarding Types

This allows users to state how CDD was completed for the party. This may have been, for example via face-to-face, obtaining certified copies of documents or via an electronic verification programme. This information is displayed under the AMF/CFT CDD tab at client level (see Figure 6 below).

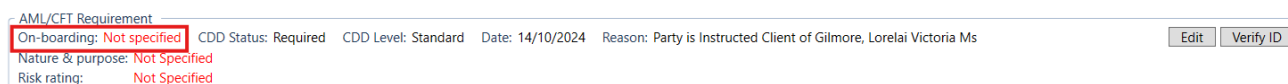


Figure 6.

Document Categories

This allows users to flag each document that is managed (whether that is a client or a matter) with a category. This allows for easier searching to locate the required document(s) later, for example, proof of address, bank statement and passport. Several document categories can also be linked into a 'Group.'

A group called Compliance could be set up, within this group documents such as proof of address, bank statement and passport could be found for a party. This filter allows the removal of documents that do not meet the search criteria. Also, see the Identity and Compliance Documents section below for more details.

If a firm is using Electronic IDV and this is linked into OnePractice, then the incoming document can be automatically tagged with an appropriate Document Category.

Due Diligence Result Codes

These have two main uses. Firstly, users can see what the outcome of CDD was on the party under the AML/CFT CDD tab (see Figure 7 below).

The other main use is a filter on the Customer Due Diligence report, as per the report selection shown in Figure 8 below. The report is located under the Report List on the Home Tab.

Matters Affiliated Matters Addresses Affiliated Parties Related Parties AML/CFT CDD Identity Referral Details Financial Deeds Marketing Red Flags Notes Tasks								
AML/CFT Requirement								
On-boarding: Face-to-face PEP: Not politically exposed CDD Status: Required CDD Level: Enhanced Date: 08/08/2024 Reason: the name or address has changed and needs to be verified								
Nature & purpose: Sam is an actor on sabbatical from the USA, he wants to purchase a home here in New Zealand								
Source of funds: Financial Statements from Sam's accountant in the USA are attached								
Due Diligence Records:								
Status	Level	Result	Completed By	Completed On	Reviewed By	Reviewed On	Expiry	
Complete	Enhanced	CDD - Ok to act	Hadwin, Tracey	24/10/2024	Hadwin, Tracey	24/10/2024	23/10/2034	
Incomplete	Enhanced							
Complete	Enhanced	CDD - Ok to act	Hadwin, Tracey	11/07/2023	Hadwin, Tracey	11/07/2023	10/07/2033	

Figure 7.

The screenshot shows the 'Reporting' window with the 'Customer Due Diligence Report' selected. The configuration panel includes the following details:

- Report Title:** Customer Due Diligence Report
- Author Role:** Client Author
- Party is a Politically Exposed Person (PEP):** All parties (selected)
- Due Diligence:**
 - CDD Status of Party: Required
 - Risk rating: <All>
 - Client creation date: Select a date to Select a date (leave empty for all)
 - Include parties where no DD records exist
 - DD required from: Select a date to Select a date (leave empty for all)
 - DD level required: <All>
 - Include parties that have DD records
 - DD creator: <All>
 - DD status: Complete (selected)
 - Completed from: Select a date to Select a date (leave empty for all)
 - DD level: <All>
 - DD result: CDD - Ok to act** (highlighted)
 - Compliance office review: Either reviewed or unreviewed (selected)
- Show DD Comment:** Show DD comment
- Sort order:** DD Required Date (selected)
- Format:** PDF (selected)

Figure 8.

Identification Verification Types

This allows for the details of specific types of ID to be loaded against parties. Each field on a form of ID can be set as optional, not applicable or required. If a user loads the details of a passport against a client, a firm can determine which fields must be completed, for example, 'Expiry Date' can be set as required.

The fields available per ID type are Reference #, Issued Date, Expiry Date, Place of Birth and Date of Birth. See Figure 9 below for an example of how to set up ID Information Types and Figure 10 to see how the results are displayed against a party under the Identity tab.

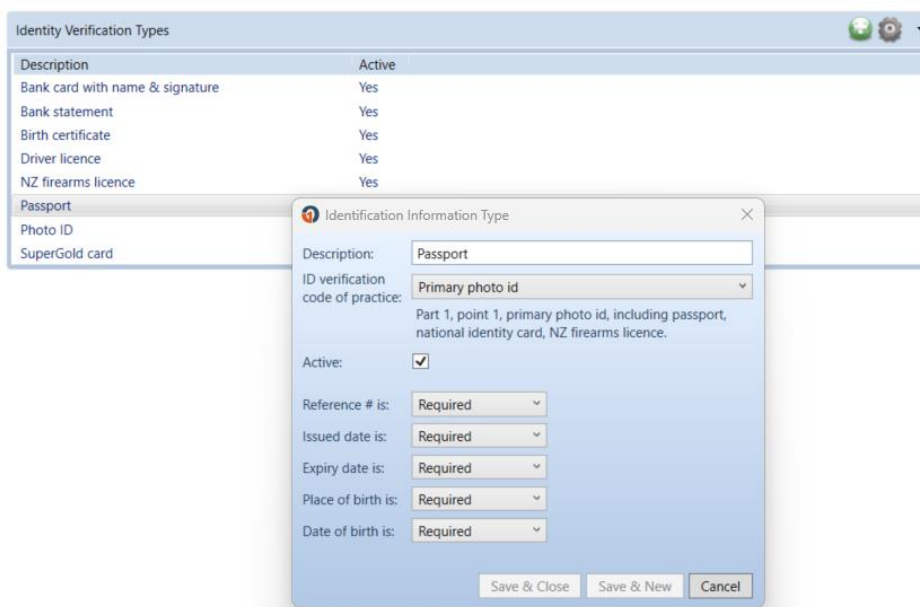


Figure 9.

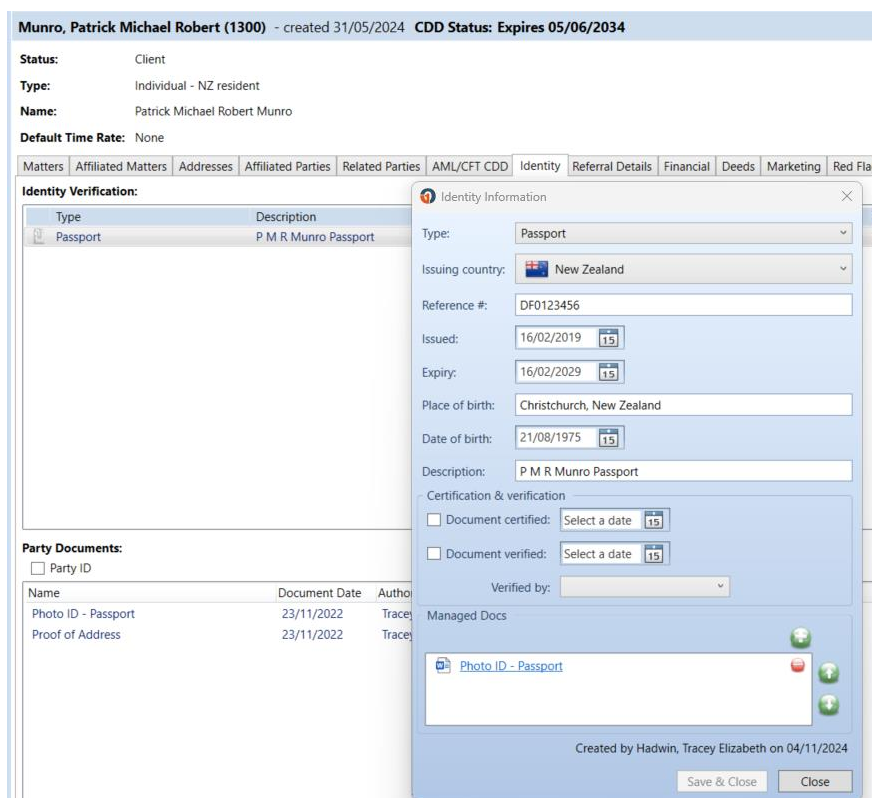


Figure 10.

Red Flag Statuses

These are used for on-screen viewing under the Red Flags tab against each party. Figure 11 below shows an item's status and Figure 12 shows report filtering.

Figure 11.

Figure 12.

Useful Red Flag Status codes to consider:

Code:	Description:
INV	Requires Investigation
NOTE	Worth Noting
PREP	Prescribed – Reported
SUS	Suspicious – to report

Risk Rating Types

With new legislation effective from 1 June 2025, reporting entities (including law firms) will need to complete a risk rating of their clients and maintain this as per existing ongoing CDD requirements. Set risk rating types that comply with your firm’s Risk Assessment and Compliance Programme. For example, use ‘Low,’ ‘Medium’ and ‘High’ (see Figure 13 below).

Name	Active
Low	Yes
Medium	Yes
High	Yes

Figure 13.

Party Types – Set the Due Diligence Requirement

When a party is created (either a client or a non-client) in the database a party type is specified, e.g., Individual, Trust, Company or Family. These party types can be maintained under the Administration Tab by clicking on the ‘Parties’ button, the first icon on the left (see Figure 14 below).



Figure 14.

Each party type can be set with a default requirement for Customer Due Diligence (CDD), and the CDD level that is required. Depending on a firm’s Risk Assessment and Compliance Programme, the firm may have elected not to complete CDD on certain types of clients until it becomes necessary due to the client undertaking a captured activity.

Figure 15.

In Figure 16 below, the only client types that will have CDD performed at the outset are Individual Non-Resident, Company Overseas and Trust (and Offshore Trust) and the required CDD level will be Enhanced. All other types of clients will only require CDD when a matter is created that is a captured activity, and the CDD level will be Standard. Refer to the section ‘Fee Types’ below for further detail on this.

Type	Sub Type	Description	Due Diligence Required	Due Diligence Level
Natural	None	Individual - Non-Resident	Yes	Enhanced
Natural	None	Individual - NZ resident	No	Standard
Legal	None	Charity	No	Standard
Legal	None	Company	No	Standard
Legal	None	Company Overseas	Yes	Enhanced
Legal	Estate	Estate	No	Standard
Legal	None	Law Firms - Non Clients	No	Standard
Legal	None	Real Estate Agent	No	Standard
Legal	None	Trust	Yes	Enhanced
Multi	None	Family/Couple	No	Standard
Multi	None	Partnership	No	Standard
Firm	None	Firm	No	
Office	None	Office	No	

Figure 16.

This ability may lead a firm to create more client types than previously, as it may be useful for policy variation as to client types, or statistical analysis and reporting necessitated by the AML/CFT legislation. For example, Off-shore Trust, Off-shore Company and Off-shore Individual could be set up as client types if the Compliance Programme treats international clients differently from national clients.

If work is regularly completed for government departments or other entity types where Simplified CDD is appropriate, then appropriate party types may be set up for these clients.

To set the default CDD handling on a party type just double-click the party type and the dialogue in Figure 15 above will display.

Fee Types – is it a Captured Activity?

Every matter that is created in OnePractice is assigned to a fee type. Each fee type (service offered by a firm) is set by each firm to specify whether it is a 'Captured Activity' for the purposes of the AML/CFT Act. Each fee type can also be set so that any matter created under it can have the dollar value of the transaction loaded against it, to assist with Annual Reporting to the DIA. Fee types are set under the Administration Tab > Manage Codes > Fee Types (see Figure 17 below).

Category	Sub Category	AML/CFT captured activity?	Enable AML/CFT value?
Commercial			
	Business Purchase	No	
	Business Refinancing	Yes	No
	Business Sale	No	
	Company Formation	No	
	Maori Land	No	
	Occupation Rights	No	
	Securities	No	
	Shareholders Agreement	No	
	Trade Terms	No	
Conveyancing			
	Commercial Properties	Yes	No
	Leasing	Yes	No
	Refinance	Yes	No
	Residential	Yes	No
	Rural	Yes	Yes
	Subdivisions	No	
Elder Law			
	Estate Administration	Yes	No
	Personal Care	No	
	Planning	No	
	POA	No	
Employment			
	Dispute Resolution	No	
	Employment Contracts	No	
	Personal Grievances	No	
	Tribunal	No	

Figure 17.

Setting the Captured Activity flag on individual matters based on Fee Type will be most useful for firms who decide to only complete CDD when it becomes necessary due to performing a captured activity for the client (with the exception of creating certain entities i.e., creating a company or a trust).

For fee types where 'Enable AML/CFT Value' has been set to 'Yes,' then an additional field will be displayed when creating or editing matters (see Figure 18 below). This information is used on the AML/CFT Dashboard and may be useful in assisting with the collection of data for the DIA Annual Report. It may be useful to use this field to record the value of a transaction where the total value of that transaction is not passing through the firms trust account.

Figure 18.

Affiliated Party Types

The AML/CFT legislation has necessitated the need for a class of relationship for those parties who are either party to the client (e.g. a partner in a partnership or a member of a family) or are otherwise very closely linked to the client (the settlor, trustee or beneficiary of a trust, a beneficial company owner, someone instructing a firm on a matter, power of attorney and the like) where CDD may need to be performed on the related party for the CDD on the client to be complete. OnePractice uses the term 'Affiliated Party' to describe these closely related parties.

Affiliate relationship codes can be maintained under the Administration Tab by clicking on the 'Parties' button, the first icon on the left and scrolling to the bottom (see Figure 19 below). A firm can create new relationship codes or change existing ones to affiliation codes.

Code	Description	AML/CFT Affiliation	Inherit CDD Requirement
AC	Accountant	No	No
AD	Administrator	No	No
AR	Arbitrator	No	No
AT	Attorney	No	No
AU	Aunt	No	No
BA	Barrister	No	No
BENO	Beneficial Owner/Controller	Yes	No
BF	Beneficiary	Yes	Yes
BK	Banker	No	No
BR	Brother	No	No
BU	Business	No	No

Figure 19.

Double-clicking a row will open the window shown in Figure 20 below.

The dialog box titled "Configure Relationship Types" contains the following fields and options:

- Code:** DI
- Description:** Director
- AML/CFT:**
 - Affiliation Relationship Type
 - Inherit Due Diligence Requirements
- Buttons:** Save & Close, Cancel

Figure 20.

There is a tick box to make the Relationship Code an Affiliated Relationship Type. There is also a tick box to specify whether affiliated parties of this type are to inherit the CDD requirement from the client they are affiliated with. If an existing relationship code is changed to be an affiliated code, then any pre-existing relationships using that code will become affiliated.

The example in Figure 20 above is the Director of a Company, and this data will want to be seen on the Affiliated Parties tab. CDD on parties of this type must be completed for the CDD on the company client to be complete.

See the Affiliated Parties section below for details on how to get the best use from Affiliated Parties in OnePractice.

Completing AML/CFT Details on a Party

Depending on how a firm has set up OnePractice to meet requirements (based on the firm’s Risk Assessment and Compliance Programme), various actions will trigger to warn that Due Diligence is required for that party. Parties where OnePractice believes Due Diligence is required display a red warning (see Figure 21 below).

Dragonfly Inn Limited (1012) - created 18/09/2024 **CDD Status: Incomplete**

Status: Client **Customer Due Diligence Required** **Team:** BC - BC*, EMC - EMC
Type: Company **Grade:** B
Name: Dragonfly Inn Limited **Source:** LinkedIn
Default Time Rate: None **Tier:** Silver

Matters | Affiliated Matters | Addresses | Affiliated Parties | Related Parties | **AML/CFT CDD** | Identity | Referral Details | Financial | Deeds | Marketing | Red Flags | Notes | Tasks

AML/CFT Requirement
 On-boarding: **Not specified** CDD Status: Required CDD Level: Standard Date: 14/10/2024 Reason: Party is Instructed Client of Gilmore, Lorelai Victoria Ms **Edit** **Verify ID**
 Nature & purpose: **Not Specified**
 Risk rating: **Not Specified**

Figure 21.

To record AML/CFT due diligence information, follow the steps below.

Setting the On-Boarding Method

Each party that requires Due Diligence to be completed requires the type of On-boarding method used to be selected from a drop-down of firm-determined, pre-populated codes. (Setting the types of onboarding is covered in this manual in the Various AML Related System Codes section)

Under the AML/CFT CDD tab on the party click the ‘Edit’ button (see Figure 22 below).

Dragonfly Inn Limited (1012) - created 18/09/2024 **CDD Status: Incomplete**

Status: Client **Customer Due Diligence Required** **Team:** BC - BC*, EMC - EMC
Type: Company **Grade:** B
Name: Dragonfly Inn Limited **Source:** LinkedIn
Default Time Rate: None **Tier:** Silver

Matters | Affiliated Matters | Addresses | Affiliated Parties | Related Parties | **AML/CFT CDD** | Identity | Referral Details | Financial | Deeds | Marketing | Red Flags | Notes | Tasks

AML/CFT Requirement
 On-boarding: **Not specified** CDD Status: Required CDD Level: Standard Date: 14/10/2024 Reason: Party is Instructed Client of Gilmore, Lorelai Victoria Ms **Edit** **Verify ID**
 Nature & purpose: **Not Specified**
 Risk rating: **Not Specified**

Figure 22.

The Edit Client screen will open, on the AML/CFT Requirements tab (see Figure 23 below). Select the required On-boarding type from the list.

Person Name
Full Name... John Michael Speedy
File As: Speedy, John Michael
Mailing Name: J M Speedy
Salutation: John
Status: Client

Client Team
Edit Team Remove Team
Bex Craig
Tracey Hadwin
Client Author: Tracey Hadwin

Addresses Related Parties Referral Details Financial Tax & Residency AML/CFT Requirement Personal Info Categories

On-boarding: Face-to-face

Date	User	Description
		Certified copies of documents

Risk Rating:
Date User Risk Rating Comment

Client's politically exposed person status has not been determined
 This party has not yet been reviewed as to AML/CFT
 Due diligence for AML/CFT is currently not required for this party
 This party requires due diligence for AML/CFT

CDD level required: Standard
Reason CDD is required: Fee type Conveyancing-Residential on matter 1023.1 is a captured activity

Deactivate Stop Credit Change Type Save & Close Save & New Matter Close

Figure 23.

Setting the Nature and Purpose

In the same area as setting the On-boarding method (see Figure 24 below), the details relating to the nature and purpose must also be completed. This is a text box field, use the green plus to add.

Person Name
Full Name... John Michael Speedy
File As: Speedy, John Michael
Mailing Name: J M Speedy
Salutation: John
Status: Client

Client Team
Edit Team Remove Team
Bex Craig
Tracey Hadwin
Client Author: Tracey Hadwin

Addresses Related Parties Referral Details Financial Tax & Residency AML/CFT Requirement Personal Info Categories

On-boarding:

Nature & purpose of business relationship:

Date	User	Description
------	------	-------------

Figure 24.

The nature and purpose can also be set when creating a new matter for an existing client in the Edit Matter screen (see Figure 25 below).

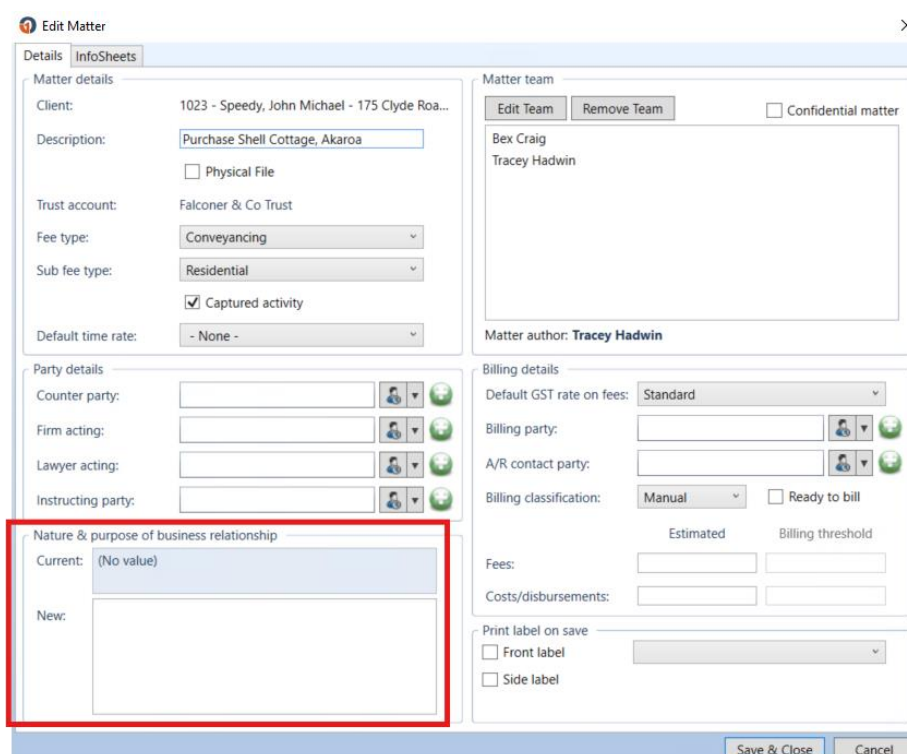


Figure 25.

Any existing nature and purpose records will be displayed, and a new nature and purpose added.

NOTE: Existing nature and purpose records will not be deleted.

Setting the Risk Rating

In the same area as setting the On-Boarding method, the details relating to the Risk Rating must also be completed (see Figure 26 below). Use the green plus to add, choose the Risk Rating from the drop-down list and add a comment if required.

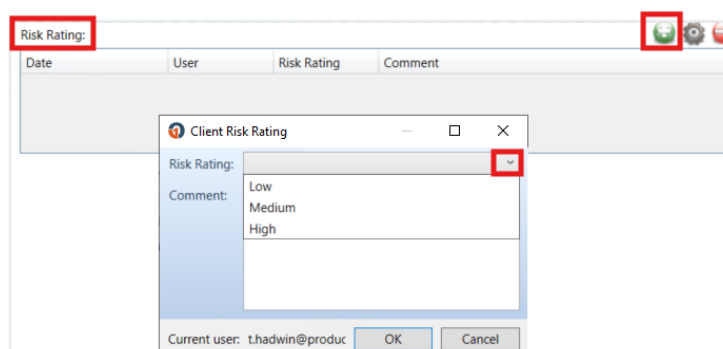


Figure 26.

Setting the Politically Exposed Person (PEP) Status

Details relating to the results of the Politically Exposed Person (PEP) Status can be recorded under the AML/CFT Requirements tab for all Individual type parties.

As a PEP Status only relates to individuals, this setting is only available to be set on **individual** party types. If a client is a Trust, the PEP Status is not applicable, however the PEP Status is applicable on any individual trustees. If a client is a Company, then again, the PEP Status is not applicable, however the PEP Status is applicable to individual Directors and Shareholders.

Utilising the Affiliated Parties option on each party allows this information to be captured, see the Affiliated Parties section of this manual for further details.

To set the PEP Status on individual parties, select Edit Party, under the AML/CFT Requirements tab click the 'Set' button (see Figure 27 below).

The screenshot shows the 'Edit Client - Individual - NZ resident' window. The 'AML/CFT Requirement' tab is active. At the bottom of the window, a red box highlights the text 'Client's politically exposed person status has not been determined' and a 'Set...' button.

Figure 27.

See Figure 28 below for the options.

The screenshot shows the PEP status options. The text 'Client's politically exposed person (PEP) status' is followed by three radio button options: 'Client's status has been determined' (checked), 'Client is not a politically exposed person', and 'Client is a politically exposed person'.

Figure 28.

Any party that is found to be a PEP will require approval from the appropriate AML Compliance Officer, Director or Partner at a firm in accordance with the firm’s Compliance Programme (see Figure 29 below).

Figure 29.

Setting the Source of Wealth / Source of Funds of Enhanced Due Diligence

Party types that have been set to require Enhanced Due Diligence (EDD) i.e., Trust type parties, will display an additional field for the Source of Funds to be noted under the AML/CFT CDD tab (see Figure 30 below).

Figure 30.

Any party, where after consideration EDD is deemed to be required (over and above standard due diligence requirements) can be set so that the additional required information is captured. This is done in the Edit Party screen under the AML/CFT Requirement tab. Set the CDD level required to Enhanced (see Figure 31 below).

On-boarding:

Nature & purpose of business relationship: ⊕ ⚙️ ⊖

Date	User	Description

Risk Rating: ⊕ ⚙️ ⊖

Date	User	Risk Rating	Comment

Client's politically exposed person status has not been determined Set...

This party has not yet been reviewed as to AML/CFT
 Due diligence for AML/CFT is currently not required for this party
 This party requires due diligence for AML/CFT

CDD level required:

Reason CDD is required:

Source of funds and/or wealth:

Deactivate Stop Credit Change Type Save & Close Save & New Matter Close

Figure 31.

Adding a Due Diligence Record

A Due Diligence Record needs to be added to the party to record the details and findings of the Due Diligence, whether it be completed or underway but perhaps delayed. Firms may decide to add a Due Diligence record at every step of the customer onboarding process so that if a DIA audit were to occur, the records would show the firm to be thinking about their clients and getting to know them.

To add a Due Diligence Record to a party, select the AML/CFT CDD tab and click the green plus icon under the Due Diligence Records section of the screen (see Figure 32 below).

Matters | Affiliated Matters | Addresses | Affiliated Parties | Related Parties | AML/CFT CDD | Identity | Referral Details | Financial | Deeds | Marketing | Red Flags | Notes | Tasks

AML/CFT Requirement
 On-boarding: Not specified PEP: Status not reviewed CDD Status: Required CDD Level: Standard Date: 05/11/2024 Reason: Fee type Conveyancing-Leasing on matter 1257.2 is a captured activity Edit Verify ID

Nature & purpose: [Blank]

Due Diligence Records: ⊕ ⚙️ ⊖

Status	Level	Result	Completed By	Completed On	Reviewed By	Reviewed On	Expiry

Figure 32.

Figure 33.

Complete the details as required (see Figure 33 above) and then save the record once completed. The level of diligence required should be correct, however this can be altered to suit.

The Status options are pre-determined by OnePractice. The Due Diligence Result Codes are defined to suit the requirements of your firm. These result codes allow the AML Compliance Officer to search the system to review CDD on the firm’s parties.

The Comments box allows for any additional text information that may need to be recorded.

Affiliated Parties

Affiliated and/or Related Parties can be set under ‘Edit Party.’ Affiliated parties can also be specified and maintained under the client-level tab ‘Affiliated Parties’ (see Figure 34 below).

Name	Affiliation	Tax Residency	Tax Number	Bank Account	CDD	Birth
Goodwin, Maxwell	is Director	New Zealand			Completed on 08/02/2023	
Gould, Ellen Ms	is Director	New Zealand			Completed on 13/06/2023	

Figure 34.

Affiliated Parties is in addition to the ability to specify ANY relationship between two parties in the database. All parties related OR affiliated to a client can be seen on the client-level ‘Related Parties’ tab (see Figure 35 below).

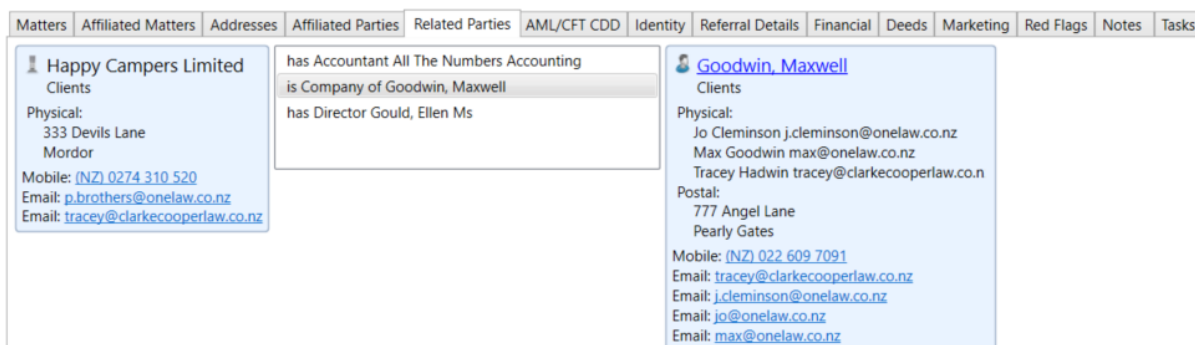


Figure 35.

There are two 'special' Affiliate Types where parties can become affiliated with the client by actions elsewhere in OnePractice, these scenarios follow:

Firstly, on the Edit Matter screen, an Instructing Party can be set for the matter (see Figure 36 below). Instructing Parties will automatically affiliate to the client and inherit the CDD requirement of the client. This is in line with the requirement to perform CDD on "any person acting on behalf of a customer" as covered by the regulations.

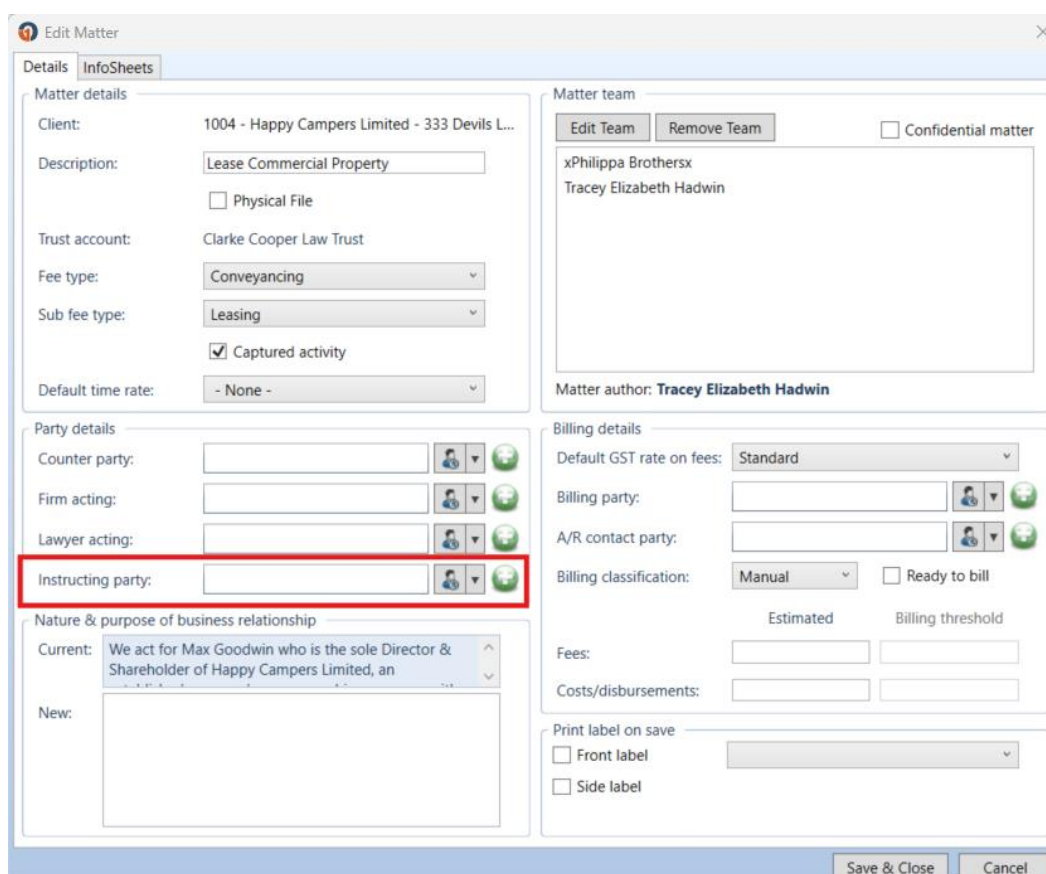


Figure 36.

Secondly, on the Trust Receipt screen (see Figure 37 below), the details relating to who paid the funds are captured. A party must be selected. There is a tick box option to affiliate the party on the receipt to the client. This may be useful for further transactional analysis (including potential laundering of smaller

amounts of cash across multiple clients and matters) or conflict detection.

The screenshot shows a 'Trust Receipt' form with the following fields and options:

- Client: [Text Field]
- Matter: [Text Field]
- Date: 6/11/2024 [Calendar Icon] Use Today's Date
- Reference: [Text Field] (leave blank for auto receipt number)
- Amount: [Text Field] Red Flag International
- Funds Type: Electronic [Dropdown]
- Receipt From: [Text Field] **Affiliate with Client** (highlighted in red)
- Narration: [Text Area]
- Authority to use for costs
- Managed Docs: [Text Area]
- Buttons: Print after saving, Save & New, Save & Copy, Save & Close, Cancel

Figure 37.

Affiliated Matters

To assist with keeping track of various matters where an entity has an affiliation with the party involved, all matters that have been created to a fee type that is a captured activity will be displayed under the Affiliated Matters tab (see Figure 38 below).

Happy Campers Limited (1004) - created 3/02/2023 CDD Status: Expires 07/02/2033

Status: Client
 Type: Company
 Name: Happy Campers Limited
 Default Time Rate: None

Team: PB - PB*, TEH - TEH

Matters: **Affiliated Matters** | Addresses | Affiliated Parties | Related Parties | AML/CFT CDD | Identity | Referral Details | Financial | Deeds | Marketing | Red Flags | Notes | Tasks

All Open Closed

Account	Affiliate	Relationship	Description	Matter Author	Trust (\$)	IBD (\$)	AR (\$)	WIP (\$)	Estimate (\$)	Status
★ 1003.1	Goodwin, Maxwell	is Director	Purchase 333 Devils Lane	TEH	24,636.33	0.00	1,058.00	210.00	0.00	Open
★ 1003.3	Goodwin, Maxwell	is Director	Hello	TEH	(2,476.25)	0.00	3,766.50	0.00	0.00	Open
★ 1003.4	Goodwin, Maxwell	is Director	Company Formation	TEH	0.00	0.00	0.00	660.00	0.00	Open
★ 1003.5	Goodwin, Maxwell	is Director	Claim against Macho Cons	TEH	(1,952.25)	0.00	1,952.25	0.00	0.00	Open
★ 1003.6	Goodwin, Maxwell	is Director	Purchase 56 Thorn Street	TEH	(156.00)	0.00	138.00	400.00	2,000.00	Open
★ 1043.1	Gould, Ellen Ms	is Director	Sale of Atanga Ave	PB	4,996.60	0.00	0.00	920.00	0.00	Open
★ 1043.4	Gould, Ellen Ms	is Director	Company formation (start	PB	15,500.00	0.00	0.00	0.00	0.00	Open

Figure 38.

Identity and Compliance Documents

Storing Party Identity and Compliance Documents

To comply with the AML/CFT regulations it is likely that a collection of documents will be used to store relevant information, such as CDD checklists and commentary. There will also be a lot of documents associated with ‘Know Your Client’ (KYC) such as scanned proof of identity, proof of address, proof of bank account and others. It is recommended that these documents are stored at a client level, rather than on a matter in OnePractice.

There will likely be multiple documents stored at client level over time, such as client care letters and emails that don’t relate to any specific matter, OnePractice allows for grouping and filtering of documents based on setting Document Categories and Identity Categories.

The option to filter client level documents is used on the Affiliated Parties tab, the AML/CFT CDD tab and the Identity tab for each party (see Figure 39 below).

The screenshot shows the OnePractice interface with the following elements:

- Navigation Tabs:** Matters, Affiliated Matters, Addresses, **Affiliated Parties**, Related Parties, **AML/CFT CDD**, **Identity**, Referral Details, Financial, Deeds, Marketing, Red Flags, Notes, Tasks.
- AML/CFT Requirement:** On-boarding: Face-to-face, PEP: Not politically exposed, CDD Status: Not Reviewed, CDD Level: N/A, Date: 02/09/2022, Reason: None. Nature & purpose: Long standing client, selling owner occupied home.
- Due Diligence Records:**

Status	Level	Result	Completed By	Completed On	Reviewed By	Reviewed On	Expiry
Complete	Standard	Ok to act	Erik Sedberry	02/09/2022			01/09/2032
- Notes:** Table with columns: Date, Type, User, Note.
- Party Documents:**
 - Address Proof
 - Bank ID
 - Compliance
 - Customer Care
 - FATCA/CRS
 - Party ID
- Table Headers:** Name, Document Date, Author, ID, Type, Operator.

Figure 39.

At the top of the Party Documents section in Figure 38 there are tick-box filters titled ‘Address Proof’, ‘Bank ID’, ‘Compliance’, ‘Customer Care’, ‘FATCA/CRS’ and ‘Party ID’.

These filters give users quick access to identity and compliance documents on the relevant screens by removing irrelevant documents from view.

The filters are simply a collection of some of the standard global document categories, which can be customised by each OneLaw customer to suit their own unique requirements. This is done under the Administration ribbon > Manage Codes > Document Categories (see Figure 40 below).

Global document categories		
Name	Party documents	Matter documents
Agreement	Yes	Yes
Bank Statement	Yes	Yes
Bills and Statements	Yes	Yes
CDD Documents	Yes	Yes
Correspondence and Filenotes	Yes	Yes
Documents	Yes	Yes
Draft	Yes	Yes
Email	Yes	Yes
Evidence	Yes	Yes
FATCA Documents	Yes	Yes
Final	Yes	Yes
Letter of Engagement (Matter)	Yes	Yes
Next Court Appearance	Yes	Yes
Other ID	Yes	Yes
Photo ID	Yes	No
Self-Cert Entity	Yes	Yes
Self-Cert Individual	Yes	Yes
Signed	Yes	Yes
Terms of Engagement	Yes	No
Test Cat	Yes	Yes
Utilities Bill	Yes	Yes

Document category groups	
Name	Linked document categories
Address Proof	Bank Statement, Utilities Bill
Bank ID	Bank Statement
Compliance	CDD Documents, FATCA Documents
Customer Care	Letter of Engagement (Matter), Terms of Engagement
FATCA/CRS	Self-Cert Entity, Self-Cert Individual
Party ID	Photo ID, Other ID

Figure 40.

The bottom part of Figure 40 is where each firm can set up their Document Category Groups and specify which document categories belong to each Document category. In the above example, any documents that have been tagged when managed with the document categories ‘CDD Documents’ or ‘Bank Statement’ or ‘Photo ID’ or ‘Other ID’ or ‘Utilities Bill’ or ‘Proof of Address’ will show when the Party Documents filter ‘Compliance’ is ticked in Figure 39.

Active Business Relationships

The requirement for ongoing CDD can be reliant on having an active business relationship with the client. The best way to signal in OnePractice that there is no such active relationship is to deactivate clients in the system. This can be done one client at a time by going to ‘Edit Party’ and then clicking ‘Deactivate’ in the bottom left corner of the screen.

Deactivated clients don’t disappear, they just don’t get included in most reports and appear under ‘Inactive Clients’ in searches. All historical matters, transactions, documents etc for inactive clients can still be queried through the system. Deactivated clients can be reactivated at the click of a button as well, so there is no danger in deactivating.

For a client to be deactivated they can have no open matters. Matters can only be closed if all balances are zero. If your firm hasn't kept up to date with closing matters as they have been completed don't panic. OnePractice has a tool to assist with closing old matters and deactivating clients. This is under the Administration Tab > Tools (see Figure 41 below).

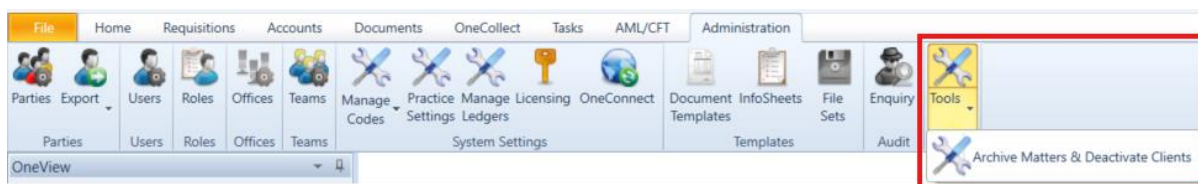


Figure 41.

The options available are as per Figure 42 below.

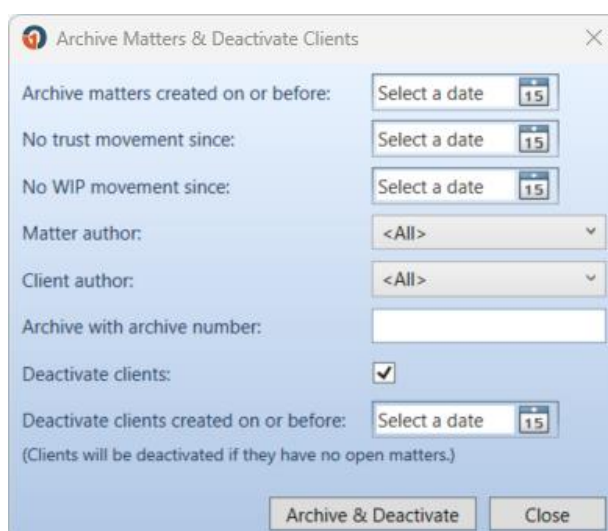


Figure 42.

The use of this tool should be reasonably transparent. The first six selection options relate to closing matters (the matter will only close if all the normal conditions are met) and the bottom two selection options relate to deactivating clients.

The date picker 'Deactivate clients created on or before' is to safeguard against deactivating a client that has only just been created, where no matter exists yet.

Creating Red Flags

OnePractice uses the term 'Red Flags' to describe both prescribed transactions (PTs) and potentially suspicious activities (SAs) since the term is widely used in the AML/CFT legislation. There are strict timeframes around when items need to be reported after coming to a firm's attention. PTs are fairly straightforward in terms of reporting requirements. SAs are less so and have a shorter timeframe to report

than PTs. For this reason, OnePractice does not use the term SAs. It is only after a Red Flag has been confirmed as an SA that the reporting requirement kicks in.

Receipts and payments can be flagged as 'Red Flag' transactions when posted in OnePractice for future AML Compliance reporting purposes (see Figures 43 and 44 below).

Prescribed Transactions (PTs)

PTs are defined as either cash transactions to the value of NZ\$10,000 or more, or international transactions to the value of NZ\$1,000 or more. The cash scenario only relates to trust receipts as trust payments are never made in cash. When a trust receipt of \$10,000 or more is posted and the Funds Type is set to cash, a Red Flag will be automatically created under the appropriate client. For international transactions OnePractice has an 'International' tick box on both the receipt and payment screen (see Figures 43 and 44 below).

If when either of these transactions is posted and the international option is selected, and the amount exceeds \$1,000 then a PT will be created on the appropriate client's Red Flags tab.

The screenshot shows the 'Trust Payment' form with the following fields and options:

- Client: [Text Field]
- Matter: [Text Field]
- Third Party Cost: [Text Field]
- Date: 6/11/2024 [Calendar Icon] Use Today's Date
- Amount: [Text Field] * Red Flag International
- Funds Type: Electronic [Dropdown] Same Day Cleared
- Reference: [Text Field] (leave blank for auto payment number)
- Disbursement: No [Dropdown] (select disbursement to make this payment billable)
- Payment To: [Text Field]
- Bank Account Number: [Text Field]
- Narration: [Text Area]
- Managed Docs: [Text Area]

Buttons at the bottom: Print after saving, Save & New, Save & Copy, Save & Close, Cancel.

Figure 43.

Figure 44.

Suspicious Activities

There are three ways to add a Red Flag to show ‘Suspicion’ in OnePractice. A receipt or payment can be flagged as potentially suspicious by ticking the box on the posting dialogue (see Figure 42 above). If this is done either during posting or added later by editing the transaction, then a Red Flag is added to the appropriate client.

One method of laundering money through a law firm that has been reported is via the use of a property transaction that doesn’t proceed. Funds from a dubious source are deposited in a solicitor’s trust account, ostensibly for the purchase of a property, then the transaction is abandoned or allowed to ‘fall over’ on purpose, and the solicitor is instructed by the client to pay the funds out to a third party. The third party can claim that the funds were from the sale of a property and without a more thorough inspection, the funds look clean.

A Red Flag can be added to the client manually by going to the Red Flags tab of the appropriate client, clicking the green plus icon and then filling in the details of the red flag (see Figure 44 below).

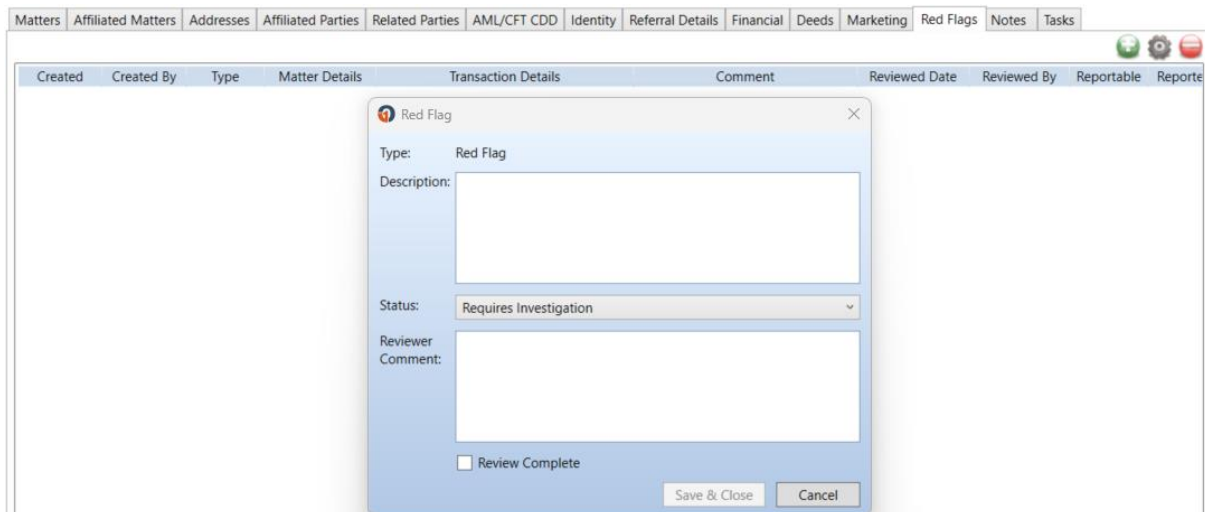


Figure 45.

AML/CFT Tab

All areas within the AML/CFT ribbon have been designed to assist the AML Compliance Officer complete various required tasks within that role (see Figure 45 below). If a firm uses the integration with external eIDV providers, then staff will also use the eIDV Requests area of this ribbon.



Figure 46.

Compliance Dashboard

The AML/CFT Compliance Dashboard has been designed to assist the AML Compliance Officer with reviewing the status of Customer Due Diligence on parties within the firm. It can also assist with the completion of the DIA Annual Report and provides a snapshot glance of a variety of clients, matters, red flag transactions and other red flags loaded on clients (see Figure 46 below).

The Dashboard defaults to displaying data for the previous calendar month however that date range can be altered for a bigger period i.e. July last year to June this year will provide Figures to assist in completing the DIA Annual Report.

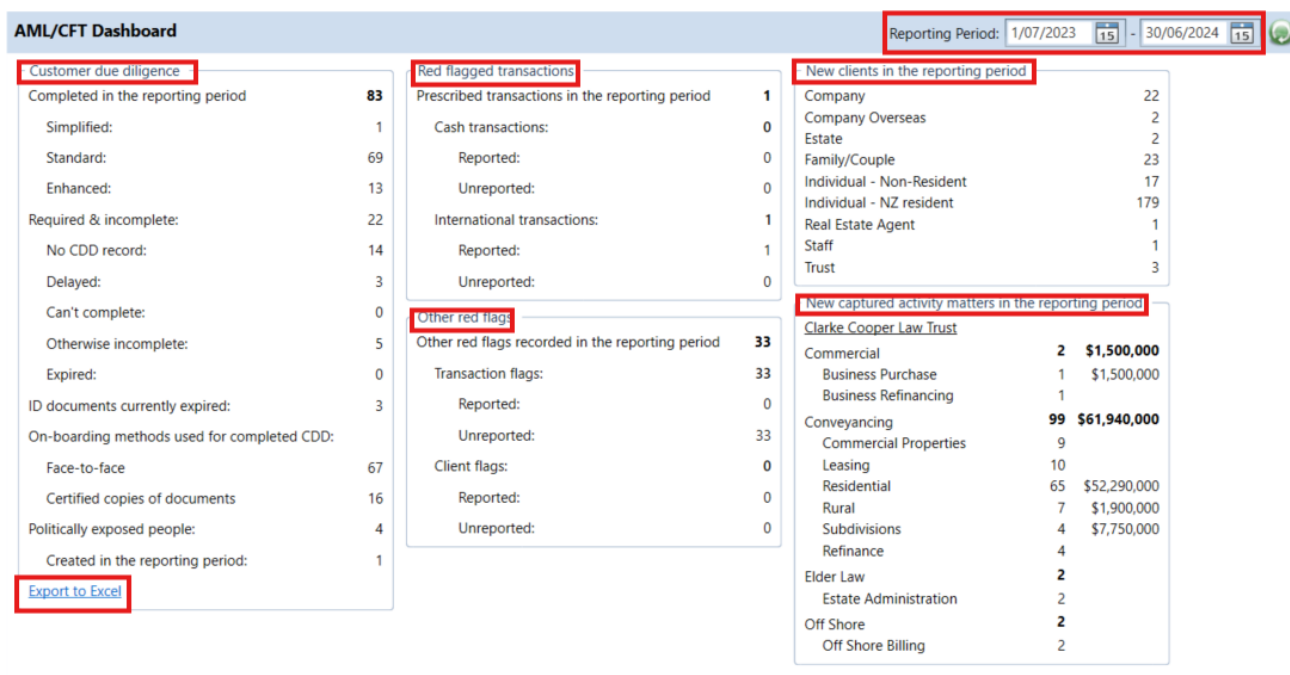


Figure 47.

The 'Export to Excel' hyperlink shown at the bottom of the Customer due diligence section shown above will provide a breakdown of the individual parties that make up the totals in this section. Much of this same information is also available via the powerful Customer Due Diligence Report (for further information on this report refer to page 31 below).

eIDV Requests

This area is to display requests made via OnePractice to external eIDV providers that OnePractice integrates. At present, this is available with APLYiD. For more information on this integration contact the OneLaw Support Desk, we have integration user guides available.

Red Flags

To review and maintain all Red Flags across your entire OnePractice database easily, use the Red Flags section of the AML/CFT ribbon. There is also a Red Flags Report available under the Report List button on the Home ribbon (see Figure 48 below).

Red Flags are generated automatically by OnePractice when certain actions occur. Red flags can also be manually loaded on a party by staff. Further information on this is available on page 25.

There is a variety of search criteria that can be applied to search for Red Flags – the red flag created date, the staff member that created the red flag, the type of red flag etc. Once you have made your selection click the Apply Filter button (see Figure 48 below).

Showing 60 red flags

Select and filter red flags

Date from: State: Item Type:

Date to: Status:

Reporter: Include parties having or more of cash receipts in the past days.

Figure 48.

Reports

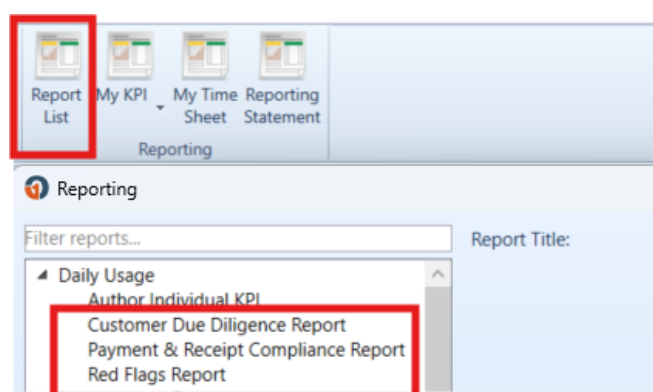


Figure 49.

Customer Due Diligence Report

This report has a large array of possible selection criteria options available. Use this report to review the CDD status on parties – whether required and not completed, or complete or delayed etc, review any parties flagged as a ‘PEP,’ review the due diligence levels and more. Certain report selection options will only be enabled based on other selection options selected.

Payment & Receipt Compliance Report

This report allows the AML Compliance Officer to monitor receipts and payments, using a variety of selection options. Including all receipts and payments flagged as ‘international,’ all receipts and/or payments that triggered a certain type of red flag i.e. prescribed. It can also be used to report on a party that paid or received funds linking back to the party themselves that is specified when every receipt and payment is made. Useful if the firm becomes suspicious of a certain party say receiving funds, this report can show ALL payments made to that particular party.

Red Flags Report

This report further enhances the Red Flags option under the AML/CFT Tab (see page 25). This report is for viewing Red Flags only, any required maintenance is done via the AML/CFT Tab or directly under the Red Flags tab for the party concerned.