UC — UNIVERSITY OF CANTERBURY
Te Whare Wānanga o Waitaha

Background

The University of Canterbury is one of the oldest universities in New Zealand, founded in 1873 with a campus in Christchurch and approximately 21,000 students.

About 7% of the students are international students. The University also has access to trust funds of NZ$176m which it uses to further its teaching and research capabilities.

The situation

Reputational risk is a major issue for those in the education sector who may not be covered by anti-money laundering regulations but who still may be the target of money laundering. These educational institutions are beginning to face increased pressure from financial authorities, and often do not have the oversight of bigger financial institutions in a similar position.

As is common with other universities, the University of Canterbury pays stipends to students who are working for the university through research and funded academic work. Their current rules only permit the transfer of money into domestic bank accounts, but with the increase in international students undertaking research overseas, the University of Canterbury needed to implement a system that could provide an independent verification process for international transfers and transactions to these students.

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>
> **Adrian Hayes**
> Financial Controller, University of Canterbury

The solution

"It was important to us to know who we were entering into a business relationship with, especially when you are sending money to jurisdictions you know very little about. That's where First AML came in for us", says Adrian.

In order to best facilitate this, the University implemented a process where students doing paid research work were onboarded as contractors.

Adrian found the platform very straightforward. 'It's intuitive and there's not much you need to learn - the training was very short.' Implementation and onboarding was also fast and efficient.

'I am very suspect of new technology', says Adrian. 'Nothing ever works like they say it's going to. But this did.'

It was also easy to use the platform in concert with his existing systems. 'When you set up a new case, it's customisable so you can enter the student number in there, which is key for us when it comes to tracking and managing files.'

The entire KYC (Know Your Customer) process is outsourced to First AML. Once the University of Canterbury submits a case (name and email) the First AML team takes care of the rest:

- Document validation
- Biometrics
- Local analysis including:
  - Manual interventions for end user support
  - Engaging with compliance officer to raise flags and streamline exceptions
- PEP and sanctions flagging
- Compliance liaison and debrief for potentially high risk cases.

'We need to be sure we're dealing with the right people', says Adrian. 'A lot of my job is about compliance. From a compliance perspective, First AML fits the bill for us.'

The results

'We were very conscious of money laundering, and paying into fiscal jurisdictions we knew nothing about', says Adrian.

'We didn't want to be paying someone who isn't who they say they are or not where they say they are. Now we've got an independent verification of where the student is and their identity.'

'We were naive to begin with', says Adrian. 'We didn't know what we didn't know. When we realised that we needed to protect ourselves against money laundering and financial crime, it was nice to have First AML to help us put a process around it."

For other financial institutions, Adrian has the following advice. 'Do the research. See if it's suitable. But I would do something. Doing nothing is not an option.'

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First AML