

aml

From: [REDACTED]@redcrayon.nz>
Sent: Friday, 8 October 2021 12:34 pm
To: aml
Subject: FW: AML/CFT Statutory Review Consultation 2021

Further to the below invitation for feedback I would like to submit the following:

As a sole practitioner accountant I find the compliance for AML/CFT difficult. There are so many guides to review in order to prepare a risk assessment and then programme it was extremely time consuming and at times overwhelming. The guidance for preparing the two documents was ok however what would be extremely helpful is a template or even a foundation document on where to start building a risk assessment and program as I struggled to work out how to even prepare one or where to start. Reaching out to third party providers to see if it was better to pay them to assist in preparation of these, I was stunned to receive quotes in excess of \$3000 to do this!

What I find really frustrating is that after preparing my risk assessment and programme, it is not audited until I have been applying it for 2 years (at my own cost). So if there are limitations and shortfalls in my program that I am not aware of; because I believe I am fully compliant, I will not know this for 2 years. It seems far more sensible to receive assistance at the outset of developing a program to ensure compliance from the beginning, rather than down the track realising I have not been meeting my obligations.

I have had a lot of resistance from my clients when asking them to provide ID for verification, they are very hesitant on why this is required, how will I retain this information and are concerned about their information being used for other purposes. I am using 2Shakes software for my CDD as that provides another level of security as well as ease to complete CDD, but clients are really nervous about sharing their information via this method as it is online – despite them meeting all the DIA requirements to do so. It seems there is not enough awareness in the public arena for clients to understand my obligations with the legislation.

My last issue with the AML/CFT is that my only captured activities are company formation and as a registered tax agent, moving client funds by way of advising IR to transfer a tax refund and yet the time and administration involved to be compliant with AML/CFT is enormous.

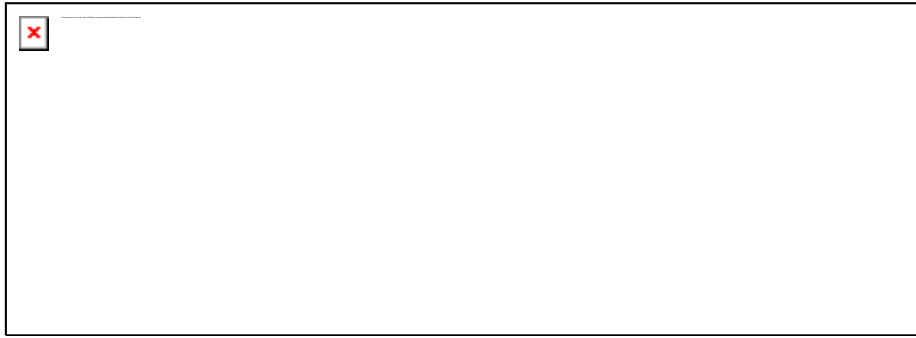
Thanks for your time

Kind Regards

[REDACTED]
Red Crayon Limited

From: Department of Internal Affairs <amlcft@internalaffairs.govt.nz>
Sent: Thursday, 7 October 2021 5:12 PM
To: [REDACTED]@redcrayon.nz>
Subject: AML/CFT Statutory Review Consultation 2021

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Invitation for feedback on NZ's Laws to prevent money laundering and the financing of terrorism

7 October 2021

Tēnā koe,

Are our anti-money laundering laws the best they can be?

In July, the Government asked the Ministry of Justice to review our anti-money laundering and financing of terrorism laws. This review allows us to ask ourselves: have we got this right?

The Government wants to know what you think of these laws.

The Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act 2009 keeps New Zealand safe from money laundering and terrorism financing. By making it harder for criminals to launder money or finance terrorism, we also make profit-motivated crime, like selling drugs or defrauding people, less appealing.

Money laundering affects all of us. It is happening every day across the country. It's estimated that over \$1 billion a year comes from drug dealing and fraud, and can be laundered through New Zealand businesses.

The true cost and impact is many times that figure when you consider crimes that generate "dirty" money and their ripple effect. People who finance terrorism also use these methods to send money to violent causes and to disguise who is providing and receiving the money.

Does the Act cause you problems? Please tell us.

While the anti-money laundering laws are very important, we know that it can make things more difficult to do or cause frustration. We want to hear about people's experience dealing with anti-money laundering laws, such as when buying or selling a house or dealing with their bank.

Has it become harder for you to open or maintain bank accounts, or has it become harder or more expensive to send money to family and friends overseas? This could happen if you do not have easy access to documents that prove who you are, or where you live.

Have we got the balance right about protecting people's privacy? Businesses need to collect a large amount of personal information from their customers, and we want to make sure the Act protects peoples' privacy.

Please tell us what you think of our anti-money laundering laws go to:

www.justice.govt.nz/amlcft-review or email a submission to: aml@justice.govt.nz

We need to hear from you by 3 December 2021.

Thank you.

Please also let us know if you have any questions or need any more information.

Ngā mihi

Te Tari Taiwhenua

The Department of Internal Affairs

AML Team
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