

aml

From: Diane Jackson [REDACTED]@ChristianSavings.co.nz>
Sent: Friday, 3 December 2021 4:04 pm
To: aml
Cc: [REDACTED]; [REDACTED]; [REDACTED]
Subject: AML/CFT Statutory Review Consultation 2021 - Submission from Christian Savings Limited (NBDT)

On behalf of [REDACTED], CFO, Christian Savings Limited

To: AML/CFT consultation team, Ministry of Justice

Christian Savings Limited is a registered and regulated Non-Bank Deposit Taker (company number 3499912 and NZ business number 9429030995444) which is based in Penrose, Auckland with a history stretching back to its foundation in 1962 under the Baptist Union of New Zealand. Christian Savings is also a registered charity (CC47731) with the financing of commercial property accounting for approximately 70% of our loans with the balance in residential property and a total loan portfolio of over \$181 million. The total amount of our retail deposits is around \$214 million.

We submit our recommended changes to the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) below. The suggestions that we make are designed to reduce our administrative costs and to improve our efficiency.

Suggested changes to AM/CFT Act:

1. **DISCRETIONARY FAMILY TRUSTS:** The requirement to treat discretionary family trusts as high risk and therefore automatically included under extended due diligence, be changed to a risk assessment basis and only complete extended due diligence on discretionary family trusts if required under the organisations risk assessment framework.
2. **PLACE OF BIRTH:** Use only place of birth as a primary identifier and not the full residential address of the place of birth.
3. **TRUSTED REFEREES:** Reduce the list of Trusted Referees to only these individuals:
 - a. Justice of the Peace
 - b. Solicitor
 - c. Chartered Accountant
 - d. Registrar of the Court
 - e. Kaumatua
4. **REAL ME** to be used as a verification tool that can be made available to businesses. Permission to be obtained from the relevant individual to enable access by a business professional. Currently, verification procedures are needlessly duplicated which add to administrative costs. A single point of verification be obtained from a REAL ME registry.
5. **BIOMETRIC IDENTIFER:** If the service provider uses biometrics as an identifier, the requirement to prove a residential address be dropped as a requirement.
6. **AML SUPERVISORS:** Consolidate the AML Supervisors to a single entity, along the similar lines of the Financial Conduct Authority (FCA) in the UK.
7. **PEPs (Domestic)** – currently under the NZ AML Act, we do not recognise any domestic PEPs. Please change this to recognise any domestic PEPs to align with overseas treatment of domestic PEPs. An example is UK legislation where both domestic and foreign PEPs are recognised and treated as high risk. It is important to recognise and track domestic PEPs due to their influence and access to public funds.

Yours sincerely

[REDACTED], Chief Financial Officer
Christian Savings Limited

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AML/CFT Compliance Officer

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