

aml

From: [REDACTED]@omcom.co.nz>
Sent: Friday, 8 October 2021 12:10 pm
To: aml
Subject: Submission concerning a review of AML/CFT Law

Good Afternoon

I operate a small commercial real estate business in Auckland which has operated for 16 years and I personally have over 30 years experience in the industry. I am a qualified AREINZ licensed agent. Below is a summary of where I feel a review of existing rules would be beneficial:

The most contentious area of AML DD is the need for EDD on bog-standard family trusts. These have been set up by reputable NZ lawyers and accountants to protect the assets of everyday Kiwi families. Where the Trustees are known to the AML Compliance Officer personally, we have met them in their home, viewed their NZ passports and it is clear to everyone they pose absolutely no AMCFT risk I feel Standard DD should be applicable.

Where the Reporting entity does not receive funds for anything other than their fees we must still complete DD on the Client. Many small RE agencies do not operate a trust account preferring to contract this out to an expert organization such as RE Trust. Is it really necessary for us to conduct DD? Remembering that the lawyers and banks are required to conduct DD on the same Client isn't this an unnecessary and expensive double-up or triple-up of the same operation?

I would like the Department to consider if there is any need at all for a RE agency to be a Reporting Entity in circumstances where:

- They handle no Client funds other than their fees and marketing advance payments.
- They have no foreign clients
- They handle no cash

If it is decided that such businesses must remain Reporting Entities I would like to submit that their audit requirements be changed to every 3 years.

In general I am absolutely in favour of AML/CFT being undertaken within the real estate industry. However, I believe it should be the responsibility of the right people on the right people.

Thank you in advance for your kind consideration of the above.

Kind Regards

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