

aml

From: [REDACTED]@xtra.co.nz>
Sent: Friday, 8 October 2021 11:18 am
To: aml
Subject: AML LAWS

We have a lot to do with the AML laws. Suggestions for change:

- (a) The law is complex when determining when EDD is required and what information is required. As an example, we have had to have 100 page documents in Chinese interpreted to prove where the funds came from. If from a family where did they get them from ? Letters from lawyers or accountants are sometimes not acceptable. Why not codify exactly what is needed in every case and make it a safe harbour. We are gatekeepers, not bloodhounds;
- (b) Banks in NZ will not open an account if the NZ company is owned by people offshore or people from HK or China. Do we want to do business with offshore people or not ?
- (c) We have had three audits from the DIA, AML ONE and again DIA in 18 months. Each time amendments to our risk and policy documents have been required. The documents are now so complex that much duplication and complexity are involved. Cannot a standard template for risk policy and policy programme be produced ?
- (d) Guides on non- complying countries are complex-as an example, it would be better to have a complete ban on dealing with any clients from Panama and other countries- this would force these countries to have better AML laws;
- (e) Reports like DOW JONES FATIVA and Worldcheck cover many background checks, not just PEP. Please confirm what AML issues these checks can cover- it is much quicker if the law sets out what issues are covered;
- (f) If a referral comes from a third party that is a legal firm or licensed trust in another country, can this referral alone be accepted ? Getting the firms to act as agents is very expensive;
- (g) Please define more clearly what are exempt transactions- is a shareholders agreement with foreign parties a transaction that needs AML investigations on each party”?
- (h) Please amend the AML act to cover whether the Act has extra- territorial effect. A NZ company may have business in NZ and offshore;
- (i) Why not have a central register when each business person produces a passport, ID proof and financial info- that would avoid enormous and expensive duplication of information;
- (j) The sheer time and cost in AML compliance is a large issue and it has become a service industry on its own. The Economist magazine in an Article earlier this year said the worldwide AML policy had been waste of time. Perhaps, as seen in the Pandora papers, it is only certain countries where Governments should be pressured to put in place some AML laws. NZ does not need such complex AML laws.

We could go on but the above are the main issues.

Best regards,



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