

aml

From: [REDACTED]@maxima.nz>
Sent: Wednesday, 1 December 2021 3:34 pm
To: aml
Subject: Submission to NZ AML Reforms.. 2021

Dear AML review Committee,

SUBMISSIONS TO NZ AML REFORMS PUBLIC CONSULTATION

Thanks for the opportunity to make comments and provide feedback on your proposals. Here are some of our main concerns which we would like you to consider:

- You have provided no costings for each section of your proposals so it is hard to evaluate the financial impact each of your proposals would have on a particular business sector
- Shared data between agencies when that sharing has not been consented too would breach Privacy Acts and no doubt EU Human Rights
- Having three Supervisors (RBNZ, FMA, DIA) is an inefficient use of resources. As you stated.
Supervisors often give different guidance which can cause confusion and mis-interpretation. There should be one Supervisor similar to AUSTRAC called the AML NZ Authority. We have made
proposal to Minister FaaFoi already.
- Businesses should not be loaded with more costs than is absolutely necessary. Many of your proposals will burden industry unfairly with more costs and little perceived benefit to keep the financial system safer
- The proposal that firms could be expected to block transactions rather than report under a SAR to the FIU puts an inequitable burden on industry and leaves them open to "unwarranted denial of service" claims based on blanket de-risking without evidence. Much "denial of service by banks" is carried out to prevent competition or another firm "eating their lunch". You know this but failed to mention it in your proposal.
- It is a given that NZ Police should have a substantial increase in their budgets to catch criminals and prevent the occurrence of the crime in the first place. Shifting responsibility onto businesses to act as quasi-police, which is not their role creates friction, unfairness, a resentment that they are not being funded for that additional activity, which they don't want to do, and have a high risk of inadvertent non-compliance

This feedback is also from the Manawatu Central North Island region (over 400 + members) where I, as a Board member help our Chamber collect our members views and feedback on upcoming proposed legislation. Why it will or not work in practice.

Above all the success of your review must be to:

a) Deliver a framework which keeps compliance costs as low as possible to execute the task in hand

b) Realise that not all FATF proposals are suitable to New Zealand without incurring substantial business costs.

Where this is the case the government must pushback against such directives or lobby better at the rule drafting stage

c) Ensure that the NZ Police are significantly better funded and resourced to investigate and deter money laundering activities in the first instance

d) Gathering data for data's sake, if you are not going to use it or do not have the resources to use it, is folly in the extreme. The FIU already struggles to deal with SARs let alone provide any meaningful feedback

Finally, AML legislation is highly unpopular in the way it currently operates, is supervised and enforced. It creates a lot of resentment amongst professionals that they are being unfairly burdened with activities which are strictly the role of government agencies.

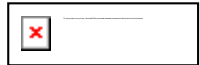
Unpopular and unfair legislation has a huge risk of failing to achieve what it was intended by Parliament to deliver, through non-acceptance and non-compliance. But I suspect the MOJ and Supervisors know this already: the latter group would probably prefer to be doing something less controversial with their time.

We rest our case - thank you

Regards

[Redacted]

[Redacted],
Director



maxima.nz

Call + [Redacted]

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