

Response ID ANON-3AUB-ZFB9-6

Submitted to **Tackling money laundering and terrorist financing**
Submitted on **2016-09-16 16:53:12**

Introduction

1 What is your name and your role/title?

Name:

Sally Gillett, Finance Director and AML/CFT Compliance Officer

2 What is your email address?

Email:

sally@moneyshop.co.nz

3 Are you responding to this consultation because you are a:

business that does or may have to comply with the AML/CFT Act?

respondent type - other:

4 Is this submission:

on behalf of your business or organisation?

5 Which "Phase Two" sector/s (if any) do you belong to, are associated with or have expertise in?

6 Which "Phase One" sector/s (if any) do you belong to, are associated with or have expertise in?

Phase one FMA other:

Non-deposit taking lenders

Phase one DIA other:

7 Organisation profile

Organisation size:

34

New Zealand - Multiple locations

Sector-specific issues and questions

Supervision

19 Do you think any of our existing sector supervisors (the Reserve Bank, the Financial Markets Authority and the Department of Internal Affairs) are appropriate agencies for the supervision of Phase Two businesses? If not, what other agencies do you think should be considered? Please tell us why.

Supervision-1:

20 Are there other advantages or disadvantages to the options in addition to those outlined above?

Supervision-2:

At yesterdays FIU/ACAMS conference I understood that there was a "general" area in this submission for other points that we would like the MOJ to consider. I was asked to make a submission and am using this area because I cannot locate the place I was referred to.

1. The cost of compliance to a reporting entity is enormous, it has a significant impact on the bottom line whether and SME like ourselves or a national banking operation. As we are all undertaking the monitoring and policing that would otherwise be the province of government agencies such as police, border control, etc I feel strongly that we in the private sector should be compensated for the costs of undertaking this work. I would ask that serious consideration, in terms perhaps of additional tax relief, is given to mitigating this cost burden. By links to the biennial audit report this could be geared as an incentive and reward those on the upper end of the excellence scale of compliance. Conversely penalising by way of nil relief for non compliant entities.

Implementation period & costs

21 What is the necessary lead-in period for businesses in your sector to implement measures they will need to put in place to meet their AML/CFT obligations?

Implementation-1:

22 Where possible, please tell us how you calculated how long it will take to develop and put in place AML/CFT requirements.

Implementation-2:

Proposal: information sharing

24 Should industry regulators be able to share AML/CFT-related information with government agencies?

Info sharing-1:

Yes

25 Should AML/CFT supervisors be able to share customers' AML/CFT-related personal information with government agencies?

Info sharing-2:

Yes

26 What are the appropriate circumstances under which the FIU can share financial intelligence with government agencies (such as the sector supervisors, industry regulators, intelligence agencies, IRD and Customs) and reporting entities? What protections should apply?

Info sharing-3:

I believe having separate data silos negates our efforts in complying with the regulations. If we are determined to make NZ a safe, secure and open society then any initial indicator of malfeasance should facilitate the ability to cross check between data bases. I like the Australian model where-in each agency has an operator in every other agencies with a joint portal to both systems. obviously these would need to be very trustworthy member of staff.

The protections that should apply are those sufficient to prevent mis-use should a government seek to abuse the confidentiality in which this information is shared.

27 What restrictions should be placed on information sharing?

Info sharing-4:

Proposal: simplified customer due diligence

30 Should the simplified customer due diligence provisions be extended to the types of low-risk institutions we've proposed above? If not, why?

Diligence-1:

31 Should we consider extending the provisions to any other institutions?

Diligence-2: