

Response ID ANON-3AUB-ZFBX-5

Submitted to **Tackling money laundering and terrorist financing**

Submitted on **2016-08-31 16:07:31**

Introduction

1 What is your name and your role/title?

Name:

Anthony Coleman Director

2 What is your email address?

Email:

tony@gogold.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?

High Value Goods

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

Phase one FMA other:

Phase one DIA other:

7 Organisation profile

Organisation size:

8

New Zealand - Single location (Auckland, Hamilton, Wellington, Christchurch or Dunedin)

High-value goods

15 Should the Act apply to all dealers of high-value goods or just particular ones?

High value-1:

It is my opinion that the Act should apply to all high value goods, as a dealer in Bullion we see many cash transactions but few in our view are suspicious, as we are used to vetting customers as we work within the confines of the second hand goods act, so we "profile" customers on a regular basis now. The examples you give show how illegally derived funds are spent by criminals, There are very few instances to my knowledge that such types have purchased Bullion.

16 What is the appropriate threshold for cash transactions that would trigger AML/CFT customer due diligence and reporting requirements? Please tell us why.

High value-2:

A transaction higher than \$20,000 would be a practical amount to consider as a threshold, for the following reasons;

1 Small "Mum and Dad" transactions would mostly fall outside reporting requirements this would significantly reduce compliance work

2 This value approximates USD\$15,000

3 transactions of this size are considered small in the bullion market

4 with profit margins of only 1-2% cost on transactions less than this, would be onerous.

5 where possible, we look to get identifying information on our customers, but there are a number that for fear of confiscation or theft from their homes would rather not divulge their personal details

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:

Our company has been anticipating the implementation of the AML/CFT act for some time, although we are unsure of the reporting that is required, our sales systems have the ability to capture the necessary information for reporting. there will be time and expense organising report formats and automated data collection, but once we know exactly what is required of us we anticipate that we will require 6 months to trial and implement and ensure staff training. That being said, most business in this sector are small owner operated businesses that may struggle to meet future reporting requirements.

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:**

As we purchase second hand goods we have in place many of the necessary information fields required for reporting for AML purposes. this means all we would need to do is have to write code to automatically flag cash transactions over a set threshold and deliver into a appropriately structured report. It would be our objective to automate the reporting to eliminate human errors

Proposal: expanded reporting to the Police financial intelligence unit**23 Should the current requirement to report suspicious transactions be expanded to reporting suspicious activities? Please tell us why or why not.****Reporting-1:**

I think the first point is that the AML is looking to be implemented into small businesses, that are under financed and under resourced, they are not banks who have limitless amount of resources at their disposal to carry out reporting.

How is this going to be policed? Small businesses have typically closer relationships than banking and finance institutions, I can foresee difficulties asking companies to report their suspicions to the FIU, u will find significant resistance.

If a business determines that reporting their suspicions is going to hurt their business, they will not report

Proposal: information sharing**24 Should industry regulators be able to share AML/CFT-related information with government agencies?****Info sharing-1:**

we have no knowledge of any suspicious transactions or how information is currently shared, but I believe in personal privacy, and there it would need to be clearly shown that

1 there is a significant problem that requires other entities to have more information

2 that having such information would deter criminality

25 Should AML/CFT supervisors be able to share customers' AML/CFT-related personal information with government agencies?**Info sharing-2:**

No

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 have no opinion

27 What restrictions should be placed on information sharing?**Info sharing-4:**

I have no opinion

Proposal: reliance on third parties**28 Are the existing provisions that allow reporting entities to rely on third parties to meet their AML/CFT obligations sufficient and appropriate? If not, what changes should be made?****Third parties-1:****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:**