



Te Tari Taiwhenua
Internal Affairs

Anti-Money Laundering and Countering Financing of Terrorism Group Framework

We are part of a national and international system combatting money laundering and terrorism financing. In our role, we supervise businesses with obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act).

Keeping New Zealand in business for good | Kia toitū ngā paingo o te mahi pakihi i Aotearoa

Our purpose

- **Detect and deter** money laundering and terrorism financing
- **Maintain and enhance** New Zealand's international reputation by adopting recommendations issued by the Financial Action Task Force
- **Contribute** to public confidence in the financial system

Who must comply?

- Financial Institutions
- Casinos
- Lawyers
- Accountants & Bookkeepers
- Real Estate Agents
- Conveyancers
- Trust & Company Service Providers
- Racing Industry Transition Agency
- High-value dealers

Key obligations

- Assess money laundering and terrorism financing risk
- Implement an effective compliance programme
- Appoint a compliance officer
- Undertake customer due diligence
- Report suspicious and prescribed transactions
- Complete an independent audit
- Submit an annual report

Interventions

The Department of Internal Affairs takes a targeted, risk-based, and responsive approach to regulation. This means that we use intelligence and risk analysis, along with our knowledge and expertise, to target and prioritise interventions on the areas of greatest potential harm, or where we think we can maximise compliance.



Education & Engagement

We help businesses understand and manage money laundering and financing terrorism risks, and comply with the AML/CFT Act through:

- Guidance
- Engagement
- Assistance

Guidance

We publish guidance and news items on our website to provide open source access to information to help businesses comply with the AML/CFT Act.

Guidance is published on sector pages on www.dia.govt.nz/amlcft

Engagement

We deliver engagement activity to create a shared understanding of the AML/CFT Act so collectively all stakeholders strengthen the system.

Activities include roadshows, training, webinars, advisory groups, articles, conferences, videos and newsletters.

Assistance

We provide support and assistance for technical queries regarding the AML/CFT Act and businesses obligations.

Our regulators respond to queries through our helpdesk channels: amlcft@dia.govt.nz or 0800 25 78 87



Monitoring

We use two key tools to assess business' compliance with their obligations:

- Desk-based reviews to assess technical compliance of a written risk assessment and AML/CFT compliance programme
- Onsite inspections to test the implementation and effectiveness of an AML/CFT compliance programme

Planning

- We contact businesses in advance
- We inform them of the areas that we will examine and the documentation we require
- We provide timeframes for our desk-based review or onsite inspection

Conducting

- We review and assess their risk assessment, AML/CFT compliance programme and any other relevant documents
- At an onsite inspection, we may conduct interviews with employees and ask to review files to test compliance levels

Findings

- We assess all facts and documents provided to us during our review or onsite inspection
- We send the business a report detailing our findings
- We give them 10 days to respond to any factual inaccuracies in our report



Enforcement

When a business is not meeting their obligations we can follow different courses of action depending on the circumstances and their willingness to comply with AML/CFT requirements. These include:

- Remediation
- Formal warnings
- Enforceable undertakings
- Injunctions
- Pecuniary penalties
- Criminal sanctions

Non-compliance findings

- We review and assess any findings of non-compliance
- We consider the appropriate and proportionate response to non-compliance
- We consider their feedback

Inform

- We inform them of all AML/CFT breaches in writing and the action required to ensure compliance with the Act or
- We inform them of the ramification of the breach and the action we are taking

Publication

- For some enforcement action we make a choice about publication based on the level of non-compliance and public interest in the action
- Before we publish we will contact them for comment on our intention to publish