

WHAT TO LOOK FOR IN YOUR AUDITOR

TADIUS MUNAPEYI

REAL ESTATE & PRIVACY

REINZ HAS THEIR SAY

DIGITAL IDENTITY NZ

PERSONAL
INFORMATION IS
TAONGA

AUGUST 2020

ATTIC

 **TIC** co.

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Editor's Note



It has been an ACAMS-tastic time! I am incredibly flattered to be named their **AML Professional of the Month** and graduate as a CAMS certified AML specialist - but it does take a team. I'm lucky to be supported by a fantastic group of individuals who are as excited as I am to be exploring ways to support ACAMS efforts in New Zealand. We are privileged to have some of the countries leading AML experts working with us to develop a range of trainings that will be fit-for-purpose. Good education is still lacking and we have heard you screaming out for meaningful, consistent, and sector specific options across the AML industry in New Zealand.

The team has been busy collaborating to host panels at TechWeek and Law Fest alongside the REINZ, the **University of Auckland**, and **Two Black Labs**. The interest in the anti-money laundering and privacy nexus is growing and it's fantastic to be at the front and centre of the discussions. It seems that we are constantly being reminded of our responsibilities to balance AML compliance, privacy obligations, and data security whilst also providing cost-effective and pragmatic solutions. It does feel like a minefield out there at times, but let's focus on not eroding the true intentions of the regime as we navigate through the ever evolving AML landscape.

On that note - we are all needing to get on the privacy bandwagon and prepare for the changes that will come into force in December. I attended a fantastic session with **Emma Pond of Simply Privacy** and would highly recommend getting to know the basics now and be ready for the events scheduled over the coming months. The role of the Privacy Officer is often a thankless task, as is the role of the AML Compliance Officer and we are here to guide them in fulfilling their obligations in a supportive environment.

As we continue to work through the implications of Covid-19 it is increasingly important that we focus on supporting each other, through formal collaborations, ethical business practices, and the good-faith sharing of knowledge.

DR. ALICE TREGUNNA
Editor-in-Chief

ATTIC MAGAZINE | 1



Bindi Norwell Talks Training



Kevin Hall Gives Advice



Tadius Munapeyi Talks Auditors

Get in Touch

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WHAT TO LOOK FOR WHEN CHOOSING AN AUDITOR

BY TADIUS MUNAPEYI

Fellow Chartered Certified Accountant (UK),
Certified Public Accountant (Australia) PP,
Licensed Auditor (FMA) New Zealand, ACAMS

A seasoned professional with over 20 years of professional practice experience most of which has been gained from Big-4 firms EY and PWC. Strong technical experience in financial statements audits, NZIFRS implementation, internal audit, IT Audit, AML Audit, and Consulting.

Strong knowledge of Sarbanes Oxley (Sox), and COSO frameworks. Tadius sits on the CPA Australia Public Practice Committee for New Zealand; the committee promotes the interest of members and represents public practitioners in New Zealand. He has been involved with the Association of Chartered Certified Accountants in the past as a Panel Member for Australia and New Zealand. Tadius is a member of ACAMS (Association of Certified Anti Money Laundering Specialists), the global association for AML.



Regardless of size or type of organisation, audits offer crucial insights into the functioning of the AML processes and procedures.

Audits identify compliance issues and good Auditors provide detailed reports which articulate the issues in the AML process and provide pragmatic suggestions for remediation. They invest time in understanding your business and operations and provide a bespoke audit process tailored to your company. Good auditors also have a structured methodology based on audit frameworks that ensure effectiveness and quality. The Regulations do not prescribe qualifications of AML auditors, however, good auditors are members of reputable professional bodies and are subject to quality reviews by their regulator. Auditor status is commensurate with vigorous training including ongoing CPD obligations, experience, dedication and the requirement to uphold ethical values. All of which are essential for client satisfaction and value.

THE IMPORTANCE OF UNDERTAKING AUDITS AND HOW TO GET THE MOST OUT OF AN AUDIT

Ensures integrity of the AML process

An audit identifies what's working and what's not working, which provides an opportunity for remediation of the compliance documents; processes; and procedures where necessary.

Frequent audits ensure issues are identified and resolved early

Issues can arise and may go undetected for a long time, exposing the company to AML risk and non-compliance with the regulations. A common scenario is where there is staff turnover or staff movement within the organisation of the key personnel performing the AML tasks, including the Compliance Officer. Procedures may not be followed due to lack of awareness or knowledge.

Regulatory changes and updates may require changes to be made to the Risk Assessment documents or Compliance Programme. These changes may not be updated in time or may not be translated to the firm's actual procedures. Audits provide an opportunity for these issues to be identified and corrective changes made timeously.

Ensures remediation changes are independently reviewed timeously

Issues identified resulting from an audit will require changes to the process or introduction of a control. Once this has been implemented, management may be informed on the effectiveness of the new change in the following audit performed. Waiting for 3 years to verify the process of control's effectiveness is not ideal. There may be a need to make changes to ensure there is ongoing overall efficiency in the business while compliance is maintained and also, the design effectiveness and operating effectiveness of the control will need assessment.

Fosters and Control Centric culture

Regular audits encourage staff to consistently apply diligence in executing AML procedures. This reduces the burden of management having to over communicate the requirement for staff to follow AML procedures.

Provides management with regular feedback on process

Frequent feedback to management, for example, annual feedback on the company's performance on AML compliance provides peace of mind that there is a third eye monitoring the process and reporting to management. It enables management to focus their attention on running the business.

Reduces surprises

Audits are done verifying adherence to compliance requirements throughout a reporting period. Waiting to find out about compliance for a three year period is not effective and does not provide management with the opportunity to remediate issues timeously. Having to call back archived files from three years ago for an audit can use up staff resources to collate the information and respond to the findings of the historical issues. Regular audits ensure issues are identified timeously and resolved. They also enable follow up on changes made and enable updates where necessary.

Ensures consistency of procedures

Regular audits encourage staff to consistently apply diligence in executing AML procedures. This reduces the burden of management having to over communicate the requirement for staff to follow AML procedures.

It is important to plan ahead of the audit and get as much information from the auditor as required. Regular dialogue with the auditor during the audit ensures you are updated and can plan your staff resources adequately to avoid disruption to your normal business processes during this time, as staff may be required to assist with information.

A meeting to discuss the issues identified by the audit is important, in order to clarify the areas that you are concerned with. You understand your business better than the auditor and, at times, challenging the findings from the audit will not only provide clarification for the auditor, but may result in a change of the findings following corroboration of facts.

Get an experienced auditor at the outset and you can have issues resolved and agreed timeously.

CHALLENGES FACED

Disparate Filing of Documents

Each reporting entity is unique, and has its own processes and systems. Most of the reporting entities I have come across have a manual operating system and use manual files. Documents have not always been available readily, especially for repeat customers where CDD procures would have been done in the past, and reliance on the Identity copy documents has been filed in an archived file. It is important to ensure that files provided for the audit are complete and readily available.

Key Personnel Staff Turnover

The Compliance Officer role is integral to the effective operation of the AML process. Where a compliance officer has moved on and the new incumbent is having to respond to questions for a period when they were not part of the organisation, delays in obtaining information and valid explanations can occur, affecting the reporting.

Template Approach of Risk Assessment and Compliance Program

We have identified templates that have not been tailored for the business and they still have generic instructions on them. This results in a long report outlining all the issues which have not been complied with.

Management may only focus on CDD Procedures only

The AML Compliance covers various areas which include compliant documents; compliant processes and procedures; assurance framework, governance, training, staff vetting, ongoing monitoring, prescribed transaction reporting; and suspicious transaction reporting. At times, we find that the CDD process has been executed perfectly, however, the other key areas would not have been done so well.

Last Minute Audits

Some organisations may leave audits to the end of the reporting timeframe and try to complete it in a rush. They have been disappointed several times when we advised them that adequate time was required and they could miss the deadlines due to leaving it to the last minute. Audits follow quality standards and require adequate time. Audits can be done at any time during the specified period by the regulations. Audits can also be done multiple times. This is of benefit to the clients in that they can plan accordingly for the audit to ensure they are not pressured, and sufficient time is available for the audit.

IDENTITY AND PERSONAL INFORMATION IS TAONGA

AN INTERVIEW WITH ANDREW WEAVER
EXECUTIVE DIRECTOR OF DIGITAL IDENTITY NZ



It's time to recognise that Identity and Personal information is Taonga.

Two thirds of New Zealanders are now more likely to go online rather than face to face, yet 91% desire a greater level of control over their identity and personal information. Digital Identity NZ's 2020 research survey has found that there is a growing awareness of the way in which our personal information is harvested and used by organisations and technology providers, coupled with a high degree of anger and disappointment about the widespread sale and sharing of that information.

The **2020 Trust and Identity research** was conducted by Yabble and commissioned by Digital Identity NZ, in partnership with InternetNZ and the Digital Council of Aotearoa, with support from Middleware NZ, ASB, Department of Internal Affairs, Payments NZ, PowerFinance, Tradewindow, and 2Shakes.

"IDENTITY IS TAONGA, IT IS A TREASURE WORTHY OF DIGNITY, RESPECT AND CARE."

People in Aotearoa/New Zealand are taking a stronger stance on businesses being responsible for protecting personal data and using it responsibly, in addition to taking personal ownership themselves. 34% of respondents believe that businesses must take greater responsibility, up from 29% in 2019.

There is begrudging acceptance of the collection of our personal data online, "It's like there is no point to change too much – it is what it is – when I go online I am automatically giving something away – I don't like it...but it happens."

Andrew Weaver states that, "as organisations we have done an excellent job in raising awareness of some of the risks and challenges associated with our highly connected world, yet we are placing too heavy a burden on people to protect themselves without adjusting our systems and processes to make it easier for them to understand and take action."

He goes on to say, “identity is taonga, it is a treasure worthy of dignity, respect and care. This places a great deal of responsibility on organisations as kaitiaki/custodians of identity and personal information, and as this research shows our call to action is to ‘do better’ when it comes to how that information is cared for.” One participant said, ‘I don’t know where to start when it comes to protecting myself...it is just too hard.’

We must increase transparency, provide meaningful privacy controls and simple, straightforward policies and technology that make it easier for people to take meaningful action.”

These principles become all the more significant given the Government’s recent announcement on the establishment of a Digital Identity Trust Framework for Aotearoa/New Zealand. The Trust Framework ‘will support the development of security, privacy-enhancing and interoperable approaches to digital identity services, to maximise benefits for citizens, the economy, and society.’

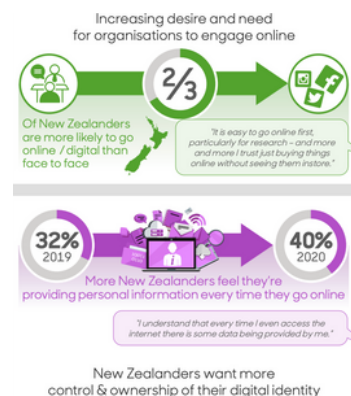


This is particularly important to those subject to AML/CFT legislation, as the Trust Framework will seek to address some of the challenges associated with identification and assurance for Reporting Entities.

The management of identity and personal information is increasingly reliant on a trustworthy ecosystem of participants, adhering not only to technical and security standards, but also embracing principles of Kāwanatanga (Honourable Governance), Rangatiratanga (Self Determination & Agency), Ōritetanga (Equity & Partnership) and freedom of choice and expression.

Digital Identity NZ is a purpose driven, inclusive, membership funded organisation, whose members have a shared passion for the opportunities that digital identity can offer. We welcome organisations and individuals to join us to help contribute to a uniquely Aotearoa/New Zealand digital identity ecosystem.

You can find more information [here](#) or contact [Andrew Weaver](#).



View the 2020 Trust and Identity research findings [here](#)

REAL ESTATE, PRIVACY AND TRAINING IN AML/CFT

BY BINDI NORWELL

Chief Executive Officer at The Real Estate
Institute of New Zealand

Reflecting on the Techweek Panel which was hosted by the Trust, Integrity and Compliance Company (TICC). It is important to continue to have conversations outside of Techweek. As the AML regime is now bedding in for the Real Estate Sector it is becoming crucial to focus on consistency across the industry. This includes strategic training that is fit for purpose and delivered consistently across real estate companies.

The AML/CFT regime and supporting regulatory guidance has clear provisions relating to training requirements. The minimum requirement for AML/CFT programmes is training on AML/CFT. Training in this space is vital, as it ensures that relevant employees are aware of the risks of AML/FT which can be faced and how they should respond when confronted with such risks.

It is important for compliance officers to understand their obligations, as well as penalties. Allowing criminals to launder money or terrorists to find funding are significant crimes. This ultimately puts New Zealand at risk of attracting further illegal activity and may position New Zealand to become a hotspot for such activities. Meaning that this impacts on New Zealand's overall safety and security as a country. Some of the penalties (if an individual or firm as a Reporting Entity) fail to comply, include and range from; a formal warning, enforceable undertakings, serious criminal proceedings, and civil penalties. Individuals could be fined up to \$200,000 personally and/or face a term of imprisonment for up to two years. Additionally, firms could incur a fine as high as \$2 million.

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Some examples of the breaches include failure to conduct customer due diligence (CDD) as prescribed, failure to establish, implement, or maintain an AML/CFT Programme, failure to keep records, and failing to report suspicious activities. We can see an example of this through the recent outcomes of *The Department of Internal Affairs v OTT Trading Group Ltd* [2020] case, where it once again made clear that the regulators will pursue action against business owners and the compliance officers for violations.

This space is incredibly fast-paced, coupled with there being a high turnover in the Real Estate sector. It is important that businesses and individuals are kept up to date with training and the changes that are happening. Crime and the methods of crime also change rapidly, we saw this through the recent COVID-19 pandemic (which is still very much on-going), this is another reason why training is essential in this space.

**"AML/CFT TRAINING SHOULD
BE TAKEN SERIOUSLY AND IT
SHOULD BE PROVIDED ON A
REGULAR BASIS"**

The need for reliable and consistent training has also been justified through the recent DIA Regulatory Report Findings, which was released in January 2020. It found that insufficient training of senior management, compliance officers, and any staff member with AML/CFT duties was one of the most common areas of non-compliance. AML/CFT training should be taken seriously and it should be provided regularly.



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5 MINUTES WITH AN EXPERT: KEVIN HALL

CHEIF EXECUTIVE OFFICER OF ANDERSON CREAGH LAI

AN INTERVIEW WITH KEVIN HALL

BY IVANA MLINAC

Please tell us a bit about your background, describe your current role and your responsibilities.

I'm a Chartered Accountant and have been involved in law firm management with firms in NZ and internationally for 25 years more or less.

Anderson Creagh Lai is a boutique commercial firm and as CEO I am responsible for all aspects of the firm's management and operations including acting as Compliance Officer.

What is the most rewarding part of your role?

Working every day with a great group of people and being able to apply my experience to the benefit of the firm.

What is your opinion of the current AML/CFT regime within New Zealand? And, how does this compare internationally?

The regime is very similar to the one I worked with in the Middle East. It is fit for purpose and if organisations are diligent, compliance is not too onerous. It definitely will aid firms in identifying and reporting criminal behaviour among clients which is a positive for all of us.

What made you interested in AML/CFT and financial crime?

Honestly, it was a case of needing to be competent to execute the job properly. As you get into this you appreciate that it isn't bureaucracy, it's necessary and important to do well.

What is the most important thing you have learned when it comes to AML/CFT?

While the importance to organisations in the Middle East where I got my grounding in this is self-evident, NZ organisations need to understand that they have a key role to play in defeating criminal ML behaviour here and internationally, and that physical distance from major terrorist organisations is no protection from their attempting to use you as a dupe if your systems are weak.

What are some of the biggest challenges you have experienced in AML/CFT?

In the early days, getting the teams to understand that the system is relevant to our organisations, not an inconvenience.

What would you consider to be a key thing people forget or do not understand when it comes to AML/CFT?

The consequences of inadvertently facilitating ML or TF would be reputationally devastating, probably an existential threat to a firm whose clients are very likely to go elsewhere.

How do you tend to keep up to date with all things AML/CFT?

Reading whatever I can get my hands on. Also I am very active in the process, that keeps you current.

Do you think your sector adapted well to being under the AML/CFT Regime in New Zealand?

Hard to say, I know we are well set up and understand what to do and why we are doing it. I have no visibility of other firms. I hope that they take it seriously.

What is one of the most rewarding parts of working within your sector and supporting the AML/CFT regime within New Zealand?

Law firms are pivotal to ML activity where criminals want to buy large assets. We can disrupt that and make a difference.



KEVIN'S TOP TIPS

Kevin shares his words of wisdom as the CEO of Anderson Creagh Lai and a Chartered Accountant

- GET YOUR TEAMS TO APPRECIATE WHY THIS IS IMPORTANT
- MAKE SURE YOUR SYSTEM IS ROBUST AND APPLIED CONSISTENTLY
- TAKE ADVICE TO IMPROVE YOUR SYSTEM, DON'T BE PRECIOUS ABOUT WHAT YOU'VE BUILT, IT CAN ALWAYS BE BETTER

ANDERSON CREAGH LAI



SELECTING AN AUDITOR



INDEPENDENT

An **auditor should be independent**. You should also consider any other potential conflicts of interest that may call into question their independence.

For example, were they involved in the creation of your compliance documentation, do they have a financial interest in your business or does a part of their business supply outsource solutions.



QUALIFIED

Check for experience in AML as well as the specifics of your industry. Try not to be impressed that they will 'audit all types of reporting entities'. Make sure they have the knowledge to help you and your business.

Experience in one of the 'Big Four' or Europe is not necessarily helpful, as they operate under a different regime and this often results in a 'tick box' exercise.



SUPPORTIVE

Your audit should be based on your unique business situation.

Your auditor should be able to assist you with remediation advice.

Most Reporting Entities are still on a learning journey (as are the regulators). Your auditor should focus on being educational rather than punitive.



COST-EFFECTIVE

Remember not to get distracted by it being a cost-effective and 'easy' solution. Often you get what you paid for. You do not want to end up with a generic templated report.

Be wary of an auditor whose recommendations are focused on pointing you at other services they provide, such as their training programs or outsourcing options.



ASSURANCE

Balance the costs of the audit against the **degree of confidence required**.

Typically, a reasonable assurance goes into more depth, in testing, during the audit than a limited assurance audit would. It is up to each reporting entity to select the type of audit they require.

Your auditor should advise you which level of assurance is best suited.



COLLABORATE

Talk to other reporting entities and if you are being supported in your compliance obligations by a third party ask for their advice and recommendations.

Remember that there are **no barriers to entering into a reciprocal arrangement** with another reporting entity. They must be suitably qualified and be able to demonstrate their independence.

THE ULTIMATE WIN-WIN

BY JAZZ ROBSON
PHD CANDIDATE, AUT

Business supporting student placements and work-integrated learning. A win-win!

Elon Musk once said *"Don't confuse schooling with education. I didn't go to Harvard, but the people that work for me did"*. When I look at this quote, I have no doubt what Elon intended. However, in the spirit of being an optimist, I will argue that what this shows is that a big part of what has made his business and him so successful. It is his choice to take on and invest in staff who went to university. In New Zealand, over 43,000 students graduate each year from its eight universities – that is a huge pool of potential employees for businesses across all sectors.

Now, what if I told you that your business could have students volunteer their time, often for a minimum of 120 hours, in a no-obligation for future employment capacity. Amazed? Well, you can! In New Zealand, all universities offer work-integrated learning (or co-operative education as it is also known). This is the universities way of preparing their students for their transition into the workforce. WIL is a work placement for students. It is a chance for businesses to have the soon to be next generation of grads volunteering their time and eagerness to learn from those that do, in their chosen areas of study.

Students also get to apply what they have learned at university, gain practical experience, and at the same time, network for their future. Businesses get to see what the next generation of grads are capable of; they get access to new ways of thinking and new ideas that have come out of the latest research.



But, probably, what businesses will be most excited to get out of this is the prime position to have the pick of the crop of the soon to be grads; who knows, you could have your next Katherine Johnson on your hands! It is, in my view, a win-win situation.

Now, for the devil's advocate that may be reading this, you may be thinking that WIL can come at a cost to businesses too, and you would be right. WIL can cost businesses time and productivity in training students. And, you could very well end up with a Homer Simpson on your hands, instead of a Katherine Johnson. As Judith McNaught once said, "If you don't play you can't win".

WIL is an opportunity for businesses, universities, and students to play and win! Universities get the chance to form industry partnerships, students get the experience and potential for future employment, and businesses get the best part of it all – the opportunity to combine business know-how and expertise with freshly educated minds. If you take the optimistic view of Elon's quote, you can see this really can be a win-win for all.

A DAY IN THE LIFE

RAPHAEL JO
MARKETING & PR ASSISTANT

Although I personally wear more than one hat as a member of TIC Co., my role as a marketing and PR assistant has definitely been a highlight. It is always a pleasure to see the content our team creates being displayed for the public to see after the long hours of brainstorming, planning, and execution.

The energetic and vibrant environment of a startup company in TIC Co. affords me a lot of flexibility to be creative and implement my ideas to our marketing and PR. Coupled with this is the responsibility I adopt with such flexibility, ensuring that our content reflects the ethos of TIC Co. TIC Co. is the leading outsourced CDD/KYC provider in Aotearoa, with a team of experts in AML/CFT and compliance obligations for professional service providers. My role at TIC Co. has given me a unique and challenging opportunity to implement my own ideas and strategise on how to best reflect the messages we try to send through our content.

The most unique aspect of my role as a marketing and PR assistant is that the content I create is not just about promoting our services - this is actually a limited aspect of my role. My role is to create content contributing towards helping New Zealand institutions effectively comply with AML/CFT obligations. The compliance obligations necessary stemming from the AML/CFT legislation tend to be misunderstood, and can be often difficult to discern precisely what is required. As a company specialising in this area, we not only want to help our clients to comply with such obligations, but also assist wider Aotearoa with our expertise.

I understand that communicating dense and technical content across to individuals and entities non-proficient with AML/CFT obligations and law in general would be challenging.



Not only is there a lot of jargon and technicality involved, but this is not necessarily the most exciting content for everyone! I work to create content that is easily accessible and enjoyable. In the world of Youtube being the best teacher for anything and everything, writing long article pages about legal obligations is no longer the way to go. I look towards other forms of media and particularly short videos for people to efficiently learn whilst also having fun. A keyword we use at TIC Co. is "pragmatism", and there is no better way to be pragmatic about educational content by making a short 2-3 minute video instead of getting people to read pages of content they'll never digest.

I am excited to contribute further to the growth of TIC Co. with our marketing and PR and I hope we gain more publicity to help Aotearoa with their compliance obligations.

MEET THE TEAM

AN INTERVIEW WITH IT MANAGER: SAMANTHA CHILD

IN CONVERSATION WITH SAMANTHA CHILD - IT MANAGER

As a TIC Co. original, Sam has seen the company constantly evolve since its establishment in 2017. With a Bachelor of Information Science majoring in Information Systems she has been pivotal in developing systems that enable our clients to seamlessly meet their compliance obligations.

Sam, tell us a little about your role and responsibilities at the TIC Company.

As IT Manager at the TIC Co, I am responsible for the management and development of all the systems our team and clients use to meet AML/CFT Obligations. A major focus of my role is ensuring that our data is secure as well as finding innovative ways to improve our systems.

I understand you were one of the original TIC Company team members, tell me about that journey.

It's been an honour to be one of the original members of the team and to grow with the company. Originally hired as an Analyst, I learned to love all things AML. I feel lucky to have joined a team that has supported me to grow and develop into my dream role as IT Manager, putting my core passion, skill set, and degree to good use in the AML space. To go from a small team of 3 to a team of about 30 has certainly been an exciting ride!

What do you enjoy most about your role at the TIC Company?

I love working closely with users to create systems that allow them to work effectively and efficiently - listening to their wildest ideas and implementing them.



When you're not nerding out on all things TICC Tech, what do you enjoy?

I'm a big fan of horror movies and heavy metal, so I love to indulge in these two passions when not 'doing the tech' as members of the TIC Co team call it. I also have three epic pets to keep me busy - Saffy, Aristophanes, and Cruise the sausage dog!

How would you describe TICC in five words?

**"WE ARE NZ'S AML
EXPERTS"**

A TIMELINE OF AML CASES IN NZ

A glance at the five major High Court enforcement AML cases in New Zealand and the high level breaches that have occurred.

PING AN FINANCE

September 2017: a money remitter and foreign currency service provider in Auckland, was ordered to pay penalties totalling \$5.3 million for multiple breaches of the 2009 Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT Act). Personal Management ban against the Director/Owner and appeal denied

JIN YUAN FINANCE LIMITED

October 2019: A money transfer company's history of non-compliance between 2013 and 2017 after a formal warning in 2015 the DIA issued a \$4 million penalty to Jin Yuan. The Company failed to monitor its accounts and was using 17 accounts in different names as opposed to the one account the DIA was informed of.

MSI GROUP LIMITED /OTT TRADING GROUP LIMITED

May 2020: Two Money remitting companies that seriously failed to meet their obligations to the AML/CFT act repeatedly penalised. OTT Trading \$3.1 million and MSI \$4.5 million. The allegations initially defended and false court documents revealed. The three involved individuals are now restrained from providing regulation services.

QIAN DUO DUO LIMITED/LIDONG FOREIGN EXCHANGE

July 2018: Auckland-based money remitter Qian DuoDuo Limited, prosecuted by DIA and fined \$356,000 for moving almost \$95 million from China to New Zealand while failing to conduct enhanced customer due diligence.

JIAXIN FINANCE LIMITED

March 2020: The first criminal offending sentences under the AML/CFT Act. Mother and Son Fuqim Che and and Qiang Fu accused of running a \$202 million pyramid scheme. With the company being fined \$2.55 million and Mr Fu \$180,000 Ms Che \$202,000. The defendants transferred \$53m in funds to Xiao Hua (Edward) Gong, a wealthy Chinese businessman, across 311 individual payments between April 2015 and May 2016. Repeatedly failing their customer due diligence and record keeping obligations.



AML/CFT TRAINING

WE CAN HELP...

If you are looking for expert guidance around your AML/CFT obligations, sign up for ATTIC's regular instructor-led webinars.

We will ensure that you are confident in your knowledge of the required obligations.

Webinars are run by an AML expert to fully inform of local obligations in your topic of choice.

- Compliance Officers
- Beneficial Ownership and KYC
- Red Flags
- Audit
- Exceptions

We are excited to bring you ATTIC Training. We are currently offering a **special** for all our subscribers. Use the coupon code '**ATTICSubscriber**' for **10% off** any training webinars. **Book all of 2020 today!**

AUGUST TOPICS



COMPLIANCE
OFFICERS



BENEFICIAL
OWNERSHIP
& KYC



EXCEPTIONS



AUDIT



RED FLAGS

LEARN MORE

BOOK NOW

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Welcome to the AMLOnline Portal

Search for a case...

Cases Awaiting Requested Information

Case Number	Client	Project Name
00000001	Demo Client 1	Big Fish
00000002	Demo Client 1	Blackstone
00000003	Demo Client 1	CDI-Demo Client Ltd.
00000004	Demo Client 1	CDI-Demo Client Ltd.
00000005	Demo Client 1	CDI-Demo Client Ltd.
00000006	Demo Client 1	CDI-Demo Client Ltd.
00000007	Demo Client 1	CDI-Demo Client Ltd.
00000008	Demo Client 1	CDI-Demo Client Ltd.
00000009	Demo Client 1	CDI-Demo Client Ltd.
00000010	Demo Client 1	CDI-Demo Client Ltd.
00000011	Demo Client 1	CDI-Demo Client Ltd.
00000012	Demo Client 1	CDI-Demo Client Ltd.
00000013	Demo Client 1	CDI-Demo Client Ltd.
00000014	Demo Client 1	CDI-Demo Client Ltd.
00000015	Demo Client 1	CDI-Demo Client Ltd.
00000016	Demo Client 1	CDI-Demo Client Ltd.

Open Case Pipeline

Loading report chart...

Need Help?

Contact Support

ATTIC AMLONLINE PORTAL

THE TIC COMPANY

The TIC Company have updated their AMLOnline Portal interface and added additional reporting measures. Built with feedback from their clients, the new and improved portal is due to go live in the coming days - we've added a sneak peak below.

UPCOMING

EVENTS & OPPORTUNITIES

CIO Summit

25-26 August - Spark Arena.

This is a premier leadership summit for senior IT executives across New Zealand. In addition to the physical event at Spark Arena, you will have the option to attend the virtual CIO Stadium. Perfect if your schedule does not allow you to make it.

Find more information on the CIO Summit event and register [here](#).



CIO SUMMIT
NEW ZEALAND

NZTech Annual General Meeting (AGM)

13th Aug - The Pavilion

This years AGM will see NZTech CEO Graeme Muller announcing strategy updates and plans for the coming year followed by a panel discussion.

For more information and registration, click [here](#).



PRINTABLE RESOURCES

We have designed [free, downloadable resources](#) to help your organisation learn more about New Zealand's AML/CFT regime and ATTIC.

DOCTOR AML

Dr. AML is our very own renowned AML/CFT expert Dr. Alice Tregunna. [In this section](#), we have collated her articles on AML/CFT compliance that will answer many of the questions you have about frameworks and regulations.

ATTIC

Research Assistants and Interns

Our research assistants provide crucial support to the professionals conducting research or gathering and analysing information and data. They conduct various duties based on the type of research being conducted.

Our interns assist ATTIC with tasks set out by various teams, such as research, data capturing, and working closely with different team members to learn more about the company.

We have been providing tertiary students with work placement opportunities in conjunction with AUT's Work-Integrated Learning programme. For more information about this, please see our Student Opportunities page.

We are always looking for more support and hiring. Please contact us if you are interested in working with ATTIC at info@attic.nz.

INDUSTRY UPDATES

BASEL INSTITUTE AML INDEX

NZ places 135th out of 141 countries on the latest Basel Institute AML Index. We are second in South East Asia & Pacific. We cannot be complacent and must keep improving.

[READ MORE](#)

FMA HIGH COURT

The Financial Markets Authority (FMA) has launched High Court proceedings against brokering and financial advice firm CLSA Premium New Zealand Limited for alleged non-compliance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

[READ MORE](#)

COOK ISLANDS

Louise Wittwer has been a moving a force in the ranking of the Cook Islands as one of the best-regulated jurisdictions in the world. Before departing from her role as the Cook Islands' Financial Supervisory Commissioner in December, she has one more project - merging the Cook Islands into the NZ banking system.

[READ MORE](#)

PRIVACY ACT

The Privacy Act 2020 comes into effect on 1 Dec 2020. It strengthens privacy protections, promoting early intervention and risk management by agencies. The amendments clarify that liability for privacy breach notifications sits with businesses or organisations, not individual employees.

[READ MORE](#)

PRIVACY 2.0 eLEARNING

Office of the Privacy Commissioner released its Privacy 2.0 e-learning module for helping agencies understand the changes coming up in the Privacy Act 2020.

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DRUG DEALING RING DISRUPTED

Multiple search warrants were carried out in Waikato, Auckland and Bay of Plenty, resulting in 29 Waikato Mongrel Mob members being arrested. The operation also recovered nearly \$200,000 in cash, stolen property, methamphetamine, and other drugs and firearms, including loaded firearms.

[READ MORE](#)

CABINET TO EXTEND THE TIME FRAME FOR AML/CFT INDEPENDENT AUDITS TO THREE YEARS

The Ministry of Justice proposes to have the new regulation in force by 31 December 2020. This would mean:

- **Law firms**, conveyancers, and new Trust and Company Service Providers are required to have their first independent audit completed by 30 June 2020. i.e. no change to the current timing.
- **Accountants** and bookkeepers are required to have their first independent audit completed by 30 September 2020. i.e. no change to the current timing.
- **Real estate agents'** first independent audit would not be due to be completed until 31 December 2021 i.e. due date extended from 31 December 2020 to 31 December 2021.
- For any reporting entity that has already completed its first audit when the new regulations are implemented, it will have three years from the date of the last audit to complete the next one.

[READ MORE](#)

Regional Business Partner Network



The TIC Company is excited to announce we are now a registered service provider with the Regional Business Partner Network and will be offering the following sessions:

AML/CFT CONSULTANCY

Compliance consultations to assist with your AML obligations and improve your current AML processes or implement a cost-effective and pragmatic solution.

AML COMPLIANCE REVIEW AND PRE-AUDIT SUPPORT

A review of your risk assessment and compliance programme, your current in-house systems (policies, procedures, and controls), and recommendations for additional support, if required.

AML/CFT COMPLIANCE WORKSHOP

Speak with an AML/CFT training expert and allow us to assess the needs of your business and develop a training programme for Compliance Officers, Senior Management, and business owners, and/or AML Administrators.

To make a booking for one of our session please contact admin@ticc.nz

For more information on our sessions:

[READ MORE](#)