FATF

Anti-money laundering and counter-terrorist financing measures

New Zealand

3rd Follow-Up Report & Technical Compliance Re-Rating

Follow-up report

July 2024

The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CTF) standard.

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New Zealand's 3rd Enhanced Follow-up Report

Introduction

The FATF Plenary adopted the mutual evaluation report (MER) of New Zealand in February 2021[1]. Based on the MER results, New Zealand was placed into enhanced follow-up. New Zealand's 1st Enhanced Follow-up Report (FUR) with technical compliance re-ratings was adopted in June 2022[2]. New Zealand did not request technical compliance re-ratings in its 2nd enhanced FUR in June 2023. This 3rd enhanced FUR analyses New Zealand's progress in addressing the technical compliance deficiencies identified in its MER, relating to Recommendations 14, 16, 19, 22, and 23. Re-ratings are given where sufficient progress has been made.

Overall, the expectation is that countries will have addressed most, if not all, technical compliance deficiencies by the end of the third year from the adoption of their MER. This report does not address what progress New Zealand has made to improve its effectiveness.

The following experts, supported by Mr. Panagiotis PSYLLOS, Policy analyst from the FATF Secretariat, assessed New Zealand's request for technical compliance re-ratings:

- **Ms. Denise Napper,** Senior Operations Manager, Proceeds of Crime Centre (PoCC), United Kingdom Financial Intelligence Unit (UKFIU) from the United Kingdom; and
- **Mr. Hamza Saracoglu,** Section Chief of Countering Financing of Terrorism, Gendarmerie General Command Main HQ – Counter Terrorism Department from Türkiye.

Section 2 of this report summarises New Zealand's progress in improving technical compliance. Section 3 sets out the conclusion and includes a table showing New Zealand's MER ratings and updated ratings based on this and previous FURs.

Progress to improve Technical Compliance

This section summarises New Zealand's progress to improve its technical compliance by addressing some of the technical compliance deficiencies identified in the MER or any previous FUR (R.14, 16, 19, 22 and 23).

Progress to address technical compliance deficiencies identified in the MER

New Zealand has made progress to address the technical compliance deficiencies identified in the MER in relation to R.14, 16, 19, 22 and 23. Since the MER, New Zealand adopted on 26

1 www.fatf-gafi.org/en/publications/Mutualevaluations/Mer-new-zealand-2021.html

2. www.fatf-gafi.org/en/publications/Mutualevaluations/Fur-new-zealand-2022.html

June 2023, the revised AML/CFT (Requirements and Compliance) Regulations 2011 (Reg 15), addressing most of the deficiencies identified in these Recommendations. As a result of this progress, New Zealand has been re-rated on Recommendations 14, 16, 19, 22, and 23.

Recommendation 14

	Year	Rating
MER	2021	PC
FUR1	2022	PC (not re-assessed)
FUR3	2024	↑ LC

a) **Criterion 14.1** (*Met)*

As set out in the MER, natural or legal persons that provide Money or Value Transfer Services (MVTS) are required to be registered on the Financial Services Providers Registry (FSPR) (FSP Act, section(5)(1)(f) and 13).

b) **Criterion 14.2** (*Mostly met)*

New Zealand did not fully meet the requirement of this criterion at the time of the MER, because there was little evidence that the Financial Markets Authority (FMA)[3], the Department of Internal Affairs (DIA), and the Ministry of Business, Innovation and Employment (MBIE)[4] were taking action to identify natural or legal persons that carry out MVTS without registration, and there was no evidence of a coordinated process between FMA, MBIE and DIA to identify such entities, as the administration of the FSPR and enforcement of the requirement to register is split between different agencies.

Since the MER, New Zealand has provided evidence of measures to identify natural or legal persons that carry out MVTS activities without registration, such measures include referral of intelligence information gathered by the DIA, as the DIA, has an intelligence and operational mechanism to detect unregistered MVTS providers through various tools such as open-source research, review of SARs, referral from other agencies and tip-offs and disseminate relevant information to other relevant authorities for further actions to be taken. New Zealand provided confidential information where the DIA's Intel team made six referrals of this nature to its Operations team for further investigation. Five of these referrals have been actioned, resulting in four referrals to the FMA and the MBIE, and one referral to the New Zealand Police for investigation.

Furthermore, the authorities conducted, in October 2023, a strategic assessment, the "Unregistered and Underground Remitters Assessment" to (1) enhance understanding of the scale of the unregistered and underground remittance sector in New Zealand and to (2) identify opportunities for a cross-agency approach against unregistered MVTS providers. The assessment endorsed as part of New Zealand's Transnational Organised Crime (TNOC) Strategy, implemented various recommendations including engagement with agencies (Police, DIA, FMA, RBNZ, MBIE, IRD, Customs and MBIE) in reviewing

[3] The FMA supervises seven MVTS providers in line with AML/CFT Act.

[4] MBIE maintains and administers the FSPR and ensures that entities registered on the FSPR comply with registration requirements.

intelligence collection plans and supporting an interagency tasking and coordination process (e.g., information sharing, focusing on unregistered and underground MVTS). The recommendations are still being progressed.

While the above assessment provides good example of coordination between the different authorities, there is no sufficient evidence that FMA puts in place a coordinated process with the MBIE and DIA to identify such unregistered entities. This is considered as a minor deficiency as the FMA supervises only seven MVTS providers, which is mitigated by the actions conducted by the DIA.

Regarding the application of sanctions, as mentioned in the MER, proportionate and dissuasive sanctions apply to persons who provide MTVS without being registered. New Zealand also provided two case examples of Police investigations where unregistered money remitters received criminal convictions and/or convictions for providing an unregistered financial service (Financial Service Providers (Registration and Dispute Resolution) Act 2008, section 11(2)).

c) **Criterion 14.3** (*Met)*

As set out in the MER, MVTS providers as reporting entities, are subject to AML/CFT obligations, including monitoring for AML/CFT compliance (section 5 of the AM/CFT Act). DIA is the main supervisor of MVTS providers (AML/CFT Act, section 130(1)(d)). There are seven MVTS providers that are licensed and supervised by the FMA (AML/CFT Act, 130(2)(a)).

d) **Criterion 14.4** (*Met)*

New Zealand did not meet the requirement of this criterion at the time of the MER, as there were neither specific requirements for MVTS agents to be registered or licensed, nor were MVTS providers required to maintain a current list of their agents that is accessible by competent authorities.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011[5] (Reg 15G(d)), which enforces reporting entities, including MVTS providers, to set out adequate and effective procedures, policies, and controls for maintaining a list of agents of the reporting entity acting in the AML/CFT programme. In addition, this list is accessible by DIA, the supervisor of MVTS providers, in line with section 132 of the AML/CFT Act. Further, it is ensured that the list of agents is kept up to date as a requirement set out in section 59(1)(a) of the AML/CFT Act.

e) **Criterion 14.5** (*Met)* New Zealand did not fully meet the requirement of this criterion at the time of the MER, as MVTS providers were not required in the AML/CFT Act to include agents in their AML/CFT programmes, In addition, MVTS providers were not required to monitor their agents' compliance with their programme, although they did have a general obligation to monitor and manage compliance with their own programme (section 57(1)(l)).

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 G), which requires a reporting entity, including MVTS providers, in addition to the general obligation to

[5] In effect as of 1st of June 2024.

monitor a compliance with AML/CFT Programme (section 57(1)), to ensure adequate and effective procedures, policies and controls in its AML/CFT programme exists for (a) any functions carried out by an agent of the reporting entity as part of the programme, (b) vetting agents who carry out functions of the reporting entity, (c) training agents of the reporting entity on AML/CFT matters, (d) maintaining a list of agents of the reporting entity acting in the AML/CFT programme.

f) **Weighting and conclusion**: Since the MER, New Zealand amended the AML/CFT (Requirements and Compliance) Regulations 2011 to address the identified deficiencies related to agents used by MVTS providers. The revised Regulations ensures that MVTS providers maintain a list of agents acting in AML/CFT programme and set out adequate and effective procedures, policies and controls such as including agents into AML/CFT programme, vetting and training these agents on AML/CFT matters. Regarding unregistered MVTS, New Zealand provided confidential information that includes evidence from actions undertaken by the DIA to identify natural or legal persons that carry out MVTS activities without registration. In addition, New Zealand have taken actions to enhance understanding of the scale of the illegal/unregistered remittance sector in New Zealand and to identify opportunities for a cross-agency approach against unregistered MVTS providers. However, the FMA yet to undertake coordinating action such as the one undertaken by the DIA. This is considered a minor shortcoming, as New Zealand has provided evidence that coordination among competent authorities is increasing, and that unregistered MVTS providers have been identified and have been subject to enforcement actions. Therefore, **Recommendation 14 is re-rated as Largely Complaint.**

Recommendation 16

	Year	Rating
MER	**2021**	PC
FUR1	**2022**	PC (not re-assessed)
FUR3	**2024**	↑ **LC**

a) **Criterion 16.1** (*Mostly met)*

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as the AML/CFT Act excluded credit and debit card transactions from the definition of wire transfer if the credit or debit card number accompanies the transaction, even though credit or debit cards may, in theory, be used as a payment system to effect a person-to-person wire transfer (section 5). Since the MER, measures remain unchanged, and the identified gaps remain outstanding.

b) **Criterion 16.2** (*Met*)

As set out in the MER, there was no explicit requirement in the AML/CFT Act relating to batch transfers. Requirements set out in sections 27 and 28 of the Act will apply in case of numerous individual cross-border wire transfers from a single originator bundled in a batch file for transmission to beneficiaries.

c) **Criterion 16.3** (*Met*)

New Zealand did not meet the requirement of this criterion at the time of the MER, as for wire transfers with a value of less than NZD 1 000 (approx. USD 600), New Zealand did not mandate that they are accompanied by the required originator and beneficiary information.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 A), which require wire transfers with a value of less than NZD 1 000 to be accompanied with the originator's full name and account number, and the beneficiary's full name and unique transaction reference number.

d) **Criterion 16.4** *(Met)*

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as there was neither a requirement to collect the required originator and beneficiary information in the circumstances outlined in criterion 16.3, nor there was a requirement to verify this information where there is a suspicion of ML/TF.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 A), requiring reporting entities including FIs to verify the information mentioned in criterion 16.3 where there are grounds to report Suspicious Activity concerning ML/TF related to the transaction (AML/CFT Act, section 39A).

e) **Criterion 16.5 & 16.6** (*Mostly met)*

New Zealand did not fully meet the requirement of these criteria at the time of the MER, as despite competent authorities and law enforcement agencies' ability to access this information by virtue of the powers granted under the AML/CFT Act and other Acts (see R27 and R31 of the 2021 MER), these requirements did not apply to domestic wire transfers of less than NZD 1 000. Since the MER, measures remain unchanged, and the identified gap remains outstanding.

f) **Criterion 16.7** (*Met)*

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as there was no requirement to keep the beneficiary's account number or a unique transaction reference number.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 C), requiring an institution to maintain a record of the beneficiary's name and account number for a period no less than 5 years following cessation of a business relationship. It furthers that if the transaction is occasional then the records will be retained for a minimum period of five years, after the transaction completed.

g) **Criterion 16.8** (*Mostly met*)

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as there was no explicit requirement to stop executing a wire transfer if it lacks the required beneficiary information. In addition, there was no requirements to prevent a wire transfer below the threshold limit if it did

not include the required originator or beneficiary information. Since the MER, measures remain unchanged, and the identified gaps remain outstanding.

h) **Criterion 16.9** (*Partly met*)

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as the obligation under AML/CFT Act (section 27(6)) neither included the collected beneficiary information, nor it mandated that the originator information be retained with a wire transfer. This is mitigated by the fact that an intermediary institution only must provide the originator information as soon as practicable. Since the MER, measures remain unchanged, and the identified gaps remain outstanding.

i) **Criterion 16.10** (*Met*)

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as there were no explicit requirements for intermediary institutions to retain records for at least five years where technical limitations prevent the required originator or beneficiary information accompanying a cross-border wire transfer from remaining with a related domestic wire transfer. In addition, the identified gaps under criterion 16.7 of the 2021 MER also applied to intermediary financial institutions.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 B), which require an intermediary institution to maintain a record of the received information if compliance of the requirements of section 27(6) of the AML/CFT Act can't be met. In addition, the deficiency under criterion 16.7 is addressed (see above). As noted in the MER, reporting entities have a general obligation to maintain transaction records for five years (section 49 of the AML/CFT Act).

j) **Criterion 16.11** (*Met*)

New Zealand did not meet the requirement of this criterion at the time of the MER, as there were no explicit requirements on intermediary institutions to take reasonable measures, which are consistent with straight-through processing, to identify cross-border wire transfers that lack required originator information or required beneficiary information.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 E), which require the introduction and provision of adequate and effective procedures to enable determination for what the intermediary institution should demonstrate to ascertain any international wire transfers that lack originator and/or beneficiary information.

k) **Criterion 16.12** (*Mostly met*)

New Zealand did not meet the requirement of this criterion at the time of the MER, as there were no explicit requirements on intermediary institutions to have risk-based policies and procedures for determining: (a) when to execute, reject, or suspend a wire transfer lacking required originator or required beneficiary information; and (b) the appropriate follow-up action.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 E), which require the introduction and provision of adequate and effective procedures to enable

determination for what the intermediary institution should demonstrate to ascertain any international wire transfers that lack originator and/or beneficiary information, and what risk-based policies, as required by the Act, will apply if the international wire transfer does not contain that information.

However, the requirement of the methodology is not fully met as the Regulation does not make explicit reference to situations such as when to execute, reject, or suspend a wire transfer lacking required originator or required beneficiary information.

l) **Criterion 16.13** (*Mostly met*)

New Zealand did not meet the requirement of this criterion at the time of the MER, as there were no explicit requirements that beneficiary institutions take reasonable measures, which may include post-event or real time monitoring, to identify international wire transfers that lack required originator or beneficiary information.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 F), which require the introduction and provision of adequate and effective procedures to enable determination for what the institution should demonstrate to ascertain any international wire transfers that lack originator and/or beneficiary information.

However, as indicated in criterion 16.12 the Regulation does not make explicit reference to post-event monitoring, to identify international wire transfers that lack required originator or beneficiary information.

m) **Criterion 16.14** (*Met*)

As set out in the MER, for cross-border wire transfers of NZD 1 000 or more, if the beneficiary were a customer with an established relationship, the reporting entity would have previously conducted customer identification and verification in accordance with the CDD requirements of the AML/CFT Act. Any transaction that occurs outside of a business relationship and involves the receipt of a wire transfer by a beneficiary institution for an amount of more than NZD 1 000, is defined to be an occasional transaction (AML/CFT (Definitions) Regulations, clause 13A). Reporting entities are therefore required to conduct CDD procedures as outlined in R10. The information obtained through the CDD process is maintained in accordance with R.11 (AML/CFT Act, sections 49 and 50).

n) **Criterion 16.15** (*Met*)

As set out in the MER, beneficiary institutions must use effective risk-based procedures for handling wire transfers that are not accompanied by all the required information and consider whether the wire transfers constitute a suspicious activity (AML/CFT Act, section 27(5)). This is supported by the non-binding Wire Transfer Guidelines.

o) **Criterion 16.16** (*Met*)

As set out in the MER, reporting entities, including MVTS, are subject to the requirements of the AML/CFT Act regarding wire transfers when they act as ordering, intermediary or beneficiary institutions (sections 27 and 28).

p) **Criterion 16.17** (*Mostly met*)

New Zealand did not meet the requirement of this criterion at the time of the MER, as there were no specific legal requirements for MVTS providers either to review ordering and beneficiary information to decide whether to file a SAR or to ensure that a SAR is filed in any country affected and make transaction information available to the FIU.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 D), which applies to a MVTS provider that is the ordering or beneficiary institution of a wire transfer outside of New Zealand. Any SAR that is reportable in New Zealand now falls to also be reportable to any other country/countries impacted by the suspicious activity (AML/CFT Act, section 31 and 40). However, there is no explicit requirement to consider all information from both the ordering and the beneficiary side. This is a minor deficiency, as it is implicitly covered by the requirement of the AML/CFT Act, as MVTS providers collect this information and must comply with all relevant wire transfer requirements and all wider monitoring obligations (section 31).

q) **Criterion 16.18** (*Met*)

As set out in the MER, all natural and legal persons in New Zealand, including reporting entities, are required to take freezing action and comply with prohibitions from conducting transactions with designated persons and entities when conducting wire transfers (see R6).

r) **Weighting and conclusion**: New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011 (Regulation 15) that fully or partly rectify most of the identified deficiencies in the 2021 MER regarding wire transfers. There are now requirements relating to wire transfers less than NZD 1 000 (approx. USD 600), to maintain and retain full beneficiary information. In addition, the revised Regulations 2011 (Regulation 15F) prescribe a new requirement for a beneficiary institution in respect of an international wire transfer, including considerations regarding when the wire transfer rules cannot be complied with. However, there are still minor shortcomings related to the lack of explicit provision to "situations such as when to execute, reject, or suspend a wire transfer, and lack of clear requirement to ensure that originator and beneficiary information accompanies a wire transfer, in the case of an intermediary institution. This is mitigated by the fact that an intermediary institution only has to provide the originator information as soon as practicable. Therefore, **Recommendation 16 is re-rated as Largely Compliant**.

Recommendation 19

	Year			Rating
MER	2021			PC
FUR1	2022			PC (not re-assessed)
FUR3	2024			↑ C

a) **Criterion 19.1** (*Met)*

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as EDD requirements were insufficient to apply broadly to business relationships and transactions with natural and legal persons from countries for which this is called for by the FATF. In addition, the range of EDD measures set out in the AML/CFT Act (sections 23 to 25) were insufficient to meet the requirement of R.10 (see 2021 MER, criterion 10.17).

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 12 AB, 15 H), which require reporting entities to apply enhanced customer due diligence and ongoing monitoring proportionate to risks. Regulation 12 AB prescribes additional enhanced CDD measures in circumstances within business relationships covered by the AML/CFT Act (section 22(1)(a), (c), or (d)). A reporting entity must carry out additional enhanced CDD measures before establishing, and during, a business relationship, if this is required. The additional enhanced CDD measures include obtaining further information from the customer in relation to a transaction, examining the purpose of a transaction, enhanced monitoring of a business relationship, or obtaining senior management approval for transactions or to continue the business relationship.

Regulation 15 H requires a reporting entity to differentiate in its AML/CFT programme in respect of enhanced CDD covered by the AML/CFT Act (section 22(1)), as is necessary to manage and mitigate the ML/TF risks. This refers to when information must be obtained on the source of the funds or the source of the wealth of a customer, and both the source of the funds and the source of the wealth of the customer.

Since the MER, New Zealand has also adopted Regulation 15, which states a country subject to a FATF call for action is a country with insufficient AML/CFT systems or measures in place. In line with the requirement of the AML/CFT Act for EDD in relation to a non-resident customer from a country with insufficient AML/CFT systems or measures in place (section 22(1)(a)and (b)), the requirement for EDD (including under Reg. 12AB, 15H), for a non-resident customer from a FATF call for action country is now explicit There is also a requirement to monitor, examine and keep written findings relating to business relationships and transactions from or within these countries (AML/CFT Act, section 57(1)(h)). Moreover, New Zealand prohibited the commencement and/or ongoing correspondent banking relationship with Democratic People's Republic of Korea.

b) **Criterion 19.2** *(Met)*

As noted in the MER, New Zealand through its Governor-General can apply countermeasures proportionate to the risks: (a) when called upon to do so by the FATF; and (b) independently of any call by the FATF to do so to (AML/CFT Act, sections 153, 155; and DPRK Regulations, clause 43).

c) **Criterion 19.3** ***(Met)***

As noted in the MER, New Zealand has measures in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries. Statements are issued by the Ministry of Justice, the Police, supervisory authorities, the DIA, and the Reserve Bank of New Zealand (RBNZ). The FIU also publishes the FATF's lists of high risk and non-cooperative jurisdictions on its website.

d) **Weighting and conclusion**: Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15, 12AB, 13A, 15H), which rectify the identified gap regarding EDD requirements. Therefore, **Recommendation 19 is re-rated as Compliant**.

Recommendation 22

	Year	Rating
MER	**2021**	PC
FUR1	**2022**	PC (not re-assessed)
FUR2	**2024**	↑ **LC**

a) **Criterion 22.1** (*Mostly Met*)

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as deficiencies identified under R.10 (i.e., scope gaps regarding DPMS and TCSPs) also apply to DNFBPs.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011 (Reg. 12 A and 12 B) offering clarity to the application of customer due diligence obligations to the relevant stakeholders. Other regulations also improve New Zealand's compliance with Recommendation 10 (Regulations 5 AA, 11, 11 A, 12 AA & AB, 15 H, J & K).

In addition, New Zealand revoked Regulation 20 of the AML/CFT (Definitions) Regulations 2011 to address the scope gap related to trustees of family trusts.

Other deficiencies relevant to Recommendation 10 remain outstanding (i.e., the absence of an explicit requirement to identify individuals holding senior management positions when no natural person can be identified under (a) or (b) of criterion 10.10; CDD related gaps related to requirements of criteria 10.12, 10.13, and 10.20). These deficiencies carry minor weighting, as R.10 is already rated as LC in the MER.

a. As noted in the MER, Casinos must conduct CDD on cash and non-cash (e.g., casino chips) transactions of more than NZD 6 000 that occur outside of a business relationship (AML/CFT (Definitions) Regulation 2011, section 11; AML/CFT Act, sections 5 and 14(1)(b)).

b. New Zealand did not fully meet the requirement of this sub-criterion at the time of the MER, as the definition of customer is not consistent with the FATF standard, which requires CDD be conducted on both the purchasers and the vendors of the property in all circumstances.

   Since the MER, New Zealand made a minor amendment regarding the timing of CDD requirement by a real estate agent in relation to its client. However, the deficiency relating to the FATF standard (Customer Due Diligence must be conducted on both the property purchasers and vendors) remains outstanding, as any person involved in the transaction, with the exception of only the client, isn't captured.

c. New Zealand did not fully meet the requirement of this sub-criterion at the time of the MER, as DPMS were exempt from a range of other obligations under the AML/CFT Act, including EDD requirements. Pawnbrokers' requirements for CDD did not extend to a purchaser of an item, nor did it extend to the full CDD requirements in the AML/CFT Act.

   Since the MER, New Zealand adopted the Criminal Activity Intervention Legislation Act that amended the AML/CFT Act in relation to certain cash transactions. The Act prohibits a person in trade to buy or sell any of the following articles i.e., person in trade relating to the buying or selling of jewellery, watches, gold, silver, or other precious metals and diamonds, sapphires, or other precious stones - by way of a cash transaction or a series of related cash transactions, if the total value of that transaction or those transactions is equal to or above the applicable threshold value NZD 10 000 (USD 5 900) which is lower than the prescribed value of USD/EUR 15 000 (AML/CFT Act, section 67A). The prohibition also applies to pawnbrokers in relation to the purchase of goods (AML/CFT Act, Section 78(h)). As a result, the scope gap identified in the MER is no longer applicable.

d. As noted in the MER, Lawyers and accountants are required to conduct CDD when establishing a business relationship with a new customer and where a customer seeks to conduct an occasional transaction or activity (AML/CFT Act, sections 5 and 14).

e. As noted in the MER, TCSPs are required to conduct CDD when establishing a business relationship with a new customer and where a customer seeks to conduct an occasional transaction or activity (AML/CFT Act, sections 5 and 14).

b) **Criterion 22.2** *(Met)*

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as DPMS were exempt from the record-keeping requirements in section 49 of the AML/CFT Act (see criteria 11.1 and 11.3 of the MER). In addition, the requirement for Pawnbrokers which are DPMS to keep records of the CDD information collected under criterion 22.1, did not meet the five-year standard required by R.11.

Various types of DPMS were excluded from the Act, including persons engaged in the buying or selling of precious metals or precious stones for industrial purposes and pawnbrokers. Pawnbrokers have a separate regulatory regime under the Second-hand Dealers and Pawnbrokers Act

2004, which includes CDD requirements. It is unclear what the basis is for the exemptions for DPMS involved with industrial purposes (see criterion 1.6 of the MER).

Since the MER, New Zealand adopted the Criminal Activity Intervention Legislation Act that amended the AML/CFT Act in relation to certain cash transactions. The Act introduces a prohibition on cash transactions (or a series of related transactions) of NZD 10 000 or more (approx. USD 5 900) on a person in trade relating to the buying or selling of jewellery, watches, gold, silver, or other precious metals and diamonds, sapphires, or other precious stones. This is lower than the threshold prescribed in criterion 22.1(c), therefore the requirements of this sub-criterion are no longer applicable to DPMS.

New Zealand also adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 15 N) that prescribes a retention period for reporting entities to keep account files, business correspondence and writing filings for five years after the end of the reporting entity's business relationship with a customer. This rectifies the R.11 related deficiency that is identified in the MER.

c) **Criterion 22.3** (*Partly met*)

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as DPMS which are high-value dealers (HVDs) or pawnbrokers do not have PEP requirements. In addition, the conclusions made in the R.12 analysis are applicable to this criterion.

Since the MER, New Zealand adopted the Criminal Activity Intervention Legislation Act that amended the AML/CFT Act in relation to certain cash transactions. Therefore, the requirements of this sub-criterion are no longer applicable to DPMS (see criterion 22.2 above). However, the identified deficiencies under R.12 remain outstanding.

d) **Criterion 22.4** (*Met*)

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as DPMS which are HVDs or pawnbrokers do not have requirements to comply with criterion 15.1 & 15.2 on new technologies.

Since the MER, New Zealand adopted the Criminal Activity Intervention Legislation Act that amended the AML/CFT Act in relation to certain cash transactions. Therefore, the requirements of this sub-criterion are no longer applicable to DPMS (see criterion 22.2 above).

New Zealand also adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011(Reg. 13 E) which requires a reporting entity: (a) to review the risk assessment undertaken under section 58 of the Act to take account of any new or developing technologies or new or developing products (including any new delivery mechanisms) used by the reporting entity; and (b) to update its risk assessment before the technology, product, or delivery mechanism is used. This rectifies the identified deficiencies regarding criteria 15.1 & 15.2.

e) **Criterion 22.5** (*Met*)

New Zealand did not fully meet the requirement of this criterion at the time of the MER, as overseas-based designated business group (DBG) members were not specifically required to conduct CDD to the standards in the AML/CFT Act. In addition, there were no explicit requirements in the AML/CFT Act that reporting entities should have regard to information available on the level of country risk.

Since the MER, New Zealand adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011 that rectify the identified gaps regarding overseas-based DBG members, and the availability of information on the level of country risk (Reg. 13 B, C, and D).

f) **Weighting and conclusion:** New Zealand took steps to rectify most of the identified deficiencies in the 2021 MER. The Criminal Activity Intervention Legislation Act that amended the AML/CFT Act in relation to certain cash transactions that are applicable to the DPMS sector. The prohibition on cash transactions (or a series of related transactions) of NZD 10 000 (approx. USD 6000) or more bridges the identified scope gap regarding DPMS. New Zealand also revoked Regulation 20 to bridge the gap related to trustees of family trusts.

However, the identified deficiencies under R.12 and the scope gap regarding TSCPs remain outstanding. A person acting as a secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons is not captured by the definition of TCSP. This gap is considered minor, as company secretaries are not a position within a company structure that is recognised in New Zealand and as set out in Company Law. In addition, it is noted that the deficiency relating to the FATF standard (CDD must be conducted on both the property purchasers and vendors) is not fully satisfied and that a minor deficiency still, in part, remains. Therefore, **Recommendation 22 is re-rated as Largely Compliant.**

Recommendation 23

	Year	Rating
MER	**2021**	PC
FUR1	**2022**	PC (not re-assessed)
FUR3	**2024**	↑ **LC**

a) **Criterion 23.1** (*Met*)

a. As noted in the MER, DNFBPs are subject to the same SAR reporting requirements in the AML/CFT Act as other reporting entities.

b. New Zealand did not meet the requirement of this sub-criterion at the time of the MER, as DPMS which are HVDs only had a voluntary SAR reporting obligation.

Since the MER, New Zealand adopted the Criminal Activity Intervention Legislation Act that introduces a prohibition on cash transactions (or a series of related transactions) of NZD 10 000 or more (approx. USD 5 900) on DPMS. Therefore, the requirements of this sub-criterion are no longer applicable to DPMS (see criterion 22.2).

c. As noted in the MER, covered TCSPs when, on behalf or for a client, engage in a transaction in relation to the activities described in criterion 22.1(e) (see also criterion 22.1 (e) above).

b) **Criterion 23.2** (*Partly met*)

New Zealand did fully not meet the requirement of this criterion at the time of the MER, as DPMS which are HVDs were only required to audit their AML/CFT compliance when requested by a supervisor (section 6(d)(ii)(I)). In addition, DPMS which are pawnbrokers did not have R18 requirements.

Since the MER, New Zealand adopted the Criminal Activity Intervention Legislation Act that introduces a prohibition on cash transactions (or a series of related transactions) of NZD 10 000 or more (approx. USD 5 900) on DPMS. Therefore, the requirements of this sub-criterion are no longer applicable to DPMS (see criterion 22.2). However, the deficiencies identified under R.18 relating to other types of DNFBPs remain applicable.

c) **Criterion 23.3** (*Met)*

New Zealand did not meet the requirement of this criterion at the time of the MER, as DNFBPs were subject to the same requirements for high-risk countries in the AML/CFT Act as all reporting entities and the deficiencies identified under R.19 therefore also applied to them. In addition, DPMS which are HVDs or pawnbrokers do not have relevant requirements.

Since the MER, New Zealand adopted the Criminal Activity Intervention Legislation Act that introduces a prohibition on cash transactions (or a series of related transactions) of NZD 10 000 or more (approx. USD 5 900) on DPMS. Therefore, the requirements of this sub-criterion are no longer applicable to DPMS (see criterion 22.2).

New Zealand also adopted the revised AML/CFT (Requirements and Compliance) Regulations 2011 (Reg. 15, 12AB, 13A, 15H), which rectify the identified deficiency regarding EDD requirements under R.19.

d) **Criterion 23.4** (*Met*)

New Zealand did not meet the requirement of this criterion at the time of the MER, as there were not equivalent tipping-off requirements for pawnbrokers and their reporting requirement.

Since the MER, New Zealand adopted the Criminal Activity Intervention Legislation Act that introduces a prohibition on cash transactions (or a series of related transactions) of NZD 10 000 or more (approx. USD 5 900) on DPMS. Therefore, the requirements of this sub-criterion are no longer applicable to DPMS (see criterion 22.2).

e) **Weighting and conclusion**: Since the MER, New Zealand took steps to rectify most of the identified gaps in 2021 MER. New Zealand adopted the Criminal Activity Intervention Legislation Act that amended the AML/CFT Act in relation to certain cash transactions including those conducted by the DPMS sector. The lower value threshold is now inconsequential and non-applicable to New Zealand. In addition, New Zealand revoked Regulation 20 of the AML/CFT Regulations 2011 to rectify the scope gap regarding trustees of family trusts.

However, the deficiencies identified under R.18 remain applicable and the scope gap regarding the definition of TSCPs remains outstanding. This gap is considered minor, as Company Secretaries are not a position within a company structure that is recognised in New Zealand and as set out in Company Law. Therefore, **Recommendation 23 is re-rated as Largely Compliant.**

Conclusion

Overall, New Zealand has made progress in addressing technical compliance deficiencies identified in its MER and has been upgraded on R.14, R.16, R.19, R.22 and R.23.

The table below shows New Zealand's MER ratings and reflects the progress it has made, and any re-ratings based on this and previous FURs:

Table 1. Technical compliance ratings, June 2024

R.1	R.2	R.3	R.4	R.5
LC	C	C	C	LC
R.6	**R.7**	**R.8**	**R.9**	**R.10**
LC	PC	LC	C	LC
R.11	**R.12**	**R.13**	**R.14**	**R.15**
LC	PC	LC	***LC (FUR 2024)*** PC	LC
R.16	**R.17**	**R.18**	**R.19**	**R.20**
LC (FUR 2024) PC	LC	PC	**C (FUR 2024)** PC	C
R.21	**R.22**	**R.23**	**R.24**	**R.25**
C	**LC (FUR 2024)** PC	**LC (FUR 2024)** PC	PC	***LC (FUR 2022)*** PC
R.26	**R.27**	**R.28**	**R.29**	**R.30**
PC	LC	PC	C	C
R.31	**R.32**	**R.33**	**R.34**	**R.35**
LC	LC	LC	LC	LC
R.36	**R.37**	**R.38**	**R.39**	**R.40**
LC	LC	LC	LC	LC

Note: There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

New Zealand has six Recommendations rated PC. New Zealand will report back to the FATF on progress achieved in improving the implementation of its AML/CFT measures in its 5th round mutual evaluation.

Annex to the FUR

Summary of Technical Compliance –Deficiencies underlying the ratings

Recommendations	Rating	Factor(s) underlying the rating
1. Assessing risks & applying a risk-based approach	LC	• New Zealand's exemption process has meant not all exemptions have been granted where there is proven low risk of ML/TF in strictly limited or justified circumstances. • There is no explicit prohibition from carrying out simplified CDD where there is a suspicion of ML/TF. • There is no requirement that reporting entities' AML/CFT programmes are approved by senior management
2. National co-operation and coordination	C	• This Recommendation is fully met.
3. Money laundering offences	C	• This Recommendation is fully met.
4. Confiscation and provisional measures	C	• This Recommendation is fully met.
5. Terrorist financing offence	LC	• There is no specific offence for individuals who travel for the purposes related to terrorist acts or providing or receiving terrorist training. The general terrorism financing offences under the TSA does not appear to cover all circumstances set out in 5.2bis.
6. Targeted financial sanctions related to terrorism & TF	LC	• Facilitation of terrorist acts is not a standalone ground for implementation of TFS. • Freezing obligations under the TSA does not extend to all property of persons or entities acting on behalf of, or at the direction of, designated persons or entities. • The TSA does not expressly extend to prohibiting making assets available to entities owned or controlled by designated entities (except for UNSCR 1373 where such entities may be listed), nor to persons acting on behalf of designated persons or entities, where the making available of property is not for the benefit of the designated person or entity named in relevant sanctions lists. • Reporting entities that are not registered on goAML do not receive communications UNSC Resolution 1373 designations from the FIU within one working day of the designation or change to a designation, nor communication relating to de-listing requests. • The de-listing procedure does not include information on applying to the UN Focal Point for Delisting (relevant to UNSC Resolution 1988 sanctions). • The Prime Minister's broad legal discretion to maintain a designation even where the designation criteria are no longer met affects the ability for refusals to de-list persons or entities under UNSCR 1373 to be judicially reviewed. • Communication on de-listing requests does not include the UN Focal Point for De-listings in relation to UNSC Resolution 1988. • The "Advisory on Obligations to Suppress Terrorism under the TSA" does not include guidance on what to do when an entity is delisted. • The exception to prohibitions relating to property of designated terrorist entities expressly extends to dealing "to satisfy the essential human needs of" a designated individual or their dependent, in a manner that does not comply with the UNSCRs.
7. Targeted financial sanctions related to proliferation	PC	• There is no mechanism in place to communicate changes in Iran and DPRK designations to reporting entities, beyond providing a link to the relevant UN web site listing individuals and entities. • There is no obligation to report assets frozen under, or other action taken to comply with, targeted financial sanctions under the Iran and DPRK Regulations. • There is no legislation that protects the rights of bona fide third parties in the Iran Regulations or the DPRK Regulations. • There are no mechanisms for monitoring or ensuring compliance by financial institutions and DNFBPs with Iran or DPRK Regulations. • There is no information provided on how to apply for delisting, either through MFAT or to the UN Focal Point on De-listings. • Procedures for unfreezing funds or de-listing are not publicly known. • There is no mechanism to communicate changes in Iran and DPRK designations to reporting entities, beyond providing a link to the relevant UN web site, nor guidance on what to do in the case of delisting.

Recommendations	Rating	Factor(s) underlying the rating
8. Non-profit organisations	LC	• New Zealand's legislation does not focus on NPOs identified as vulnerable to abuse for TF, nor considers the proportionality or the effectiveness of regulatory actions available to addressing the TF risk. • Some non-charity NPOs and tax-exempt non-resident charities that may present some risk of abuse for TF, are only subject to policies to combat tax evasion. • There has been insufficient work with NPOs on development and refinement of best practices to address TF risks and vulnerabilities and protection against TF abuse. • Some categories of NPOs identified as being of moderate risk of abuse for TF including foreign charities, overseas donee organisations and charitable trusts, are not subject to risk-based monitoring or supervision. • There are no relevant powers to impose sanctions in relation to other moderate-risk NPOs such as non-charity NPOs and tax-exempt non-resident charities. • The focus under some legislation governing legal persons and arrangements, is on investigating compliance rather than broader wrongdoing by the NPO.
9. Financial institution secrecy laws	C	• This Recommendation is fully met.
10. Customer due diligence	LC	• There is no explicit requirement that CDD be conducted in all situations where there is suspicion of ML/TF. • The definition of beneficial owner does not include the term "ultimate" when describing ownership and control. • In ongoing due diligence, there is no explicit requirement to verify new information and to keep updated records for customer relationships where EDD is not triggered. • For customers that are legal persons or legal arrangements, there is no explicit requirement for reporting entities to understand the nature of their customer's business and its ownership and control structure. • There is no explicit requirement for the reporting entities to identify the powers that regulate and bind a legal person or arrangement. • There is no explicit requirement to identify individuals holding senior management positions when no natural person can be identified in verifying the identity of beneficial owners of legal persons. • The beneficial ownership requirements for trusts do not explicitly set out that reporting entities must identity the settlor, trustee or protector • There are no specific CDD requirements for life insurance. • When conducting CDD on existing customers, the AML/CFT Act does not specify that the reporting entity must take into account whether and when CDD measures were last undertaken or the adequacy of data obtained. • The range of EDD measures in the AML/CFT Act are insufficiently broad. • There is no explicit requirement to refrain from applying simplified CDD measures where there is a suspicion of ML/TF or in situations posing higher ML/TF risk. • There is no requirement permitting a reporting entity to not pursue CDD where it may tip off the customer.
11. Record keeping	LC	• There is no retention period specified for reporting entities to keep account files, business correspondence and written findings.
12. Politically exposed persons	PC	• The definition of foreign PEP excludes important political party officials and restricts the time frame for holding a prominent public function to any time within the past 12 months rather than basing it on an assessment of risk. • There are no requirements to obtain senior management approval before establishing a new business relationship with a PEP. • Reporting entities are only required to obtain source of wealth or funds in relation to a PEP, rather than source of wealth and funds. • New Zealand does not extend its PEP requirements to include domestic PEPs or PEPs from international organisations. • There are no explicit requirements in the AML/CFT Act for determining whether beneficiaries, or beneficial owners of beneficiaries, of life insurance policies are PEPs.
13. Correspondent banking	LC	• It is not clear whether New Zealand's correspondent banking rules apply to non-bank relationships with similar characteristics.
14. Money or value transfer services	**LC (FUR 2024)** PC	• Apart from the DIA, it is not clear the extent to which the MBIE and the FMA take coordinated actions to detect unregistered MVTS providers and share information with relevant authorities.

Recommendations	Rating	Factor(s) underlying the rating
15. New technologies	LC	• There is not a sufficiently explicit requirement for reporting entities to identify and assess the ML/TF risks that may arise in relation to the development of new products, business practices, or technologies. • This is not a sufficiently explicit requirement for reporting entities to undertake risk assessments of new products, business practices or technologies prior to the launch or use of such products, practices and technologies and take appropriate measures to manage and mitigate the risks. • Not all VASPs are covered by the AML/CFT Act. • New Zealand has not introduced specific requirements for R10 and R16 for virtual assets and VASPs. • The deficiencies in R6, 10-21, 26-27 and 37-40 apply here.
16. Wire transfers	**LC (FUR 2024)** PC	• The AML/CFT Act excludes credit and debit card transactions from the definition of wire transfer if the credit or debit card number accompanies the transaction, even though credit or debit cards may, in theory, be used as a payment system to effect a person-to-person wire transfer (section 5). • Competent authorities and law enforcement are able to access this information by virtue of the powers granted under the AML/CFT Act and other Acts (see R27 and R31). However, these requirements do not apply to domestic wire transfers of less than NZD 1 000. • There is no explicit requirement to stop executing a wire transfer if it lacks the required beneficiary information. • There are also no requirements to prevent a wire transfer below the threshold limit if it does not include the required originator or beneficiary information. • The obligation under AML/CFT Act (section 27(6)) does not include the collected beneficiary information, nor does it mandate that the originator information be retained with a wire transfer, just that the information be provided as soon as practicable. • However, the Regulation does not explicitly provide for: (a) situations such as when to execute, reject, or suspend a wire transfer lacking required originator or required beneficiary information; and (b) post-event monitoring, to identify international wire transfers that lack required originator or beneficiary information.
17. Reliance on third parties	LC	• Reporting entities may rely on a non-reporting entity in certain DBGs. • For overseas based third parties, there are insufficient requirements for reporting entities to have regard to the level of country risk.
18. Internal controls and foreign branches and subsidiaries	PC	• In AML/CFT programmes, the compliance officer is not required to be at the management level. • There is no specific requirement for financial groups to implement group-wide programs against ML/TF applicable and appropriate to all branches and subsidiaries.
19. Higher-risk countries	**C (FUR 2024)** PC	• This Recommendation is fully met.
20. Reporting of suspicious transaction	C	• This Recommendation is fully met.
21. Tipping-off and confidentiality	C	• This Recommendation is fully met.
22. DNFBPs: Customer due diligence	**LC (FUR 2024)** PC	• The AML/CFT Act does not apply to all TCSPs. • Other deficiencies relevant to Recommendation 10 remain outstanding (i.e., the absence of an explicit requirement to identify individuals holding senior management positions when no natural person can be identified under (a) or (b) of criterion 10.10; CDD related gaps related to requirements of criteria 10.12, 10.13, and 10.20). • The deficiency relating to the FATF standard (CDD must be conducted on both the property purchasers and vendors) is not fully satisfied and that a minor deficiency still, in part, remains. • The identified deficiencies under R.12 remain outstanding.
23. DNFBPs: Other measures	**LC (FUR 2024)** PC	• The AML/CFT Act does not apply to all TCSPs. • The deficiencies identified under R.18 relating to other types of DNFBPs remain applicable.
24. Transparency and beneficial ownership of legal persons	PC	• Insufficient information on limited partnerships is available publicly. • There are no requirements for limited partnerships to maintain records of proof of their incorporation or certificate of registration.

Recommendations	Rating	Factor(s) underlying the rating
		• Incorporated societies, incorporated charitable trusts, building societies, credit unions and industrial and provident societies do not have specific requirements to maintain required basic information. • There are insufficient requirements for limited partnerships, incorporated societies, building societies, credit unions and industrial and provident societies to keep basic information up to date. • There are insufficient requirements to ensure information on beneficial ownership of legal persons is available, accurate and up to date. • There are insufficient measures to ensure that legal persons cooperate with competent authorities to determine who the beneficial owners are. • There is not a general obligation for legal persons (or their representatives) to maintain information and records for at least five years after the date on which the company is dissolved. • The ML/TF risks of bearer share warrants have not been mitigated. • The M/TF risks of nominee directors and shareholders have not been sufficiently mitigated. • There are insufficient sanctions for legal or natural persons that fail to comply with the basic and beneficial ownership requirements. • The deficiencies in R37 impact New Zealand's ability to provide international cooperation in relation to basic ownership and the beneficial ownership information.
25. Transparency and beneficial ownership of legal arrangements	**LC (FUR 2022)** PC	• The Trust Act 2019 does not explicitly stipulate that adequate, accurate and current information must be obtained on the **identities** of the parties to a trust. • For trustees that are not reporting entities, there are no equivalent requirements to obtain information on ultimate beneficial ownership and control of a trust other than those named in the trust deed i.e., where a party to the trust is a legal person. • There are no explicit requirements for trustees to disclose their status to reporting entities when forming a business relationship or carrying out an occasional transaction above the threshold. • There remains a gap in the requirements for trustees to obtain information on ultimate beneficial ownership and control of a trust unless the trustee is a professional trustee subject to the AML/CFT Act (DNFBPs). • There is no information-sharing agreement between IR and the other supervisors (RBNZ and FMA). • Sanctions are not applicable for non-professional trustees.
26. Regulation and supervision of financial institutions	PC	• No agency in New Zealand has a mandate to supervise for implementation of TFS obligations. • RBNZ does not extend the fit and proper test to shareholders or controllers of NBDTs and life insurers. • Some core principle FIs are only required to be registered on the FSPR without a need to be licensed. • Providers of factoring, tax pooling, payroll remittance, debt collection, cash transport and safety deposit boxes are not required to be licensed or registered in New Zealand. • Fit and proper test only applies to controlling owner of FIs with beneficial ownership equal to or more than 50% under the FSPR registration regime. • Core Principles FIs are not regulated and supervised fully in line with the Core Principles that are relevant to AML/CFT. • The supervisors do not always review the assessment of a FI's ML/TF risk profile when there is a major event or development.
27. Powers of supervisors	LC	• However, the range of sanctions available to the supervisors is insufficient, as they lack the power to apply administrative pecuniary penalties under the AML/CFT Act. • It is unclear whether supervisors can withdraw, restrict or suspend FIs' licenses or registration for breaches of the AML/CFT Act.
28. Regulation and supervision of DNFBPs	PC	• No agency in New Zealand has a mandate to supervise for implementation of TFS obligations. • The AML/CFT Act does not apply to all TCSPs and DPMS. • There are no entry controls for accounting practices who are not CAANZ members, TCSP and DPMS sectors. • Fit and proper testing does not extend to the management and beneficial owners of corporate real estate agents. • Risk-based AML/CFT supervision is not established in most of DNFBP sectors.

Recommendations	Rating	Factor(s) underlying the rating
29. Financial intelligence units	C	• This Recommendation is fully met.
30. Responsibilities of law enforcement and investigative authorities	C	• This Recommendation is fully met.
31. Powers of law enforcement and investigative authorities	LC	• As New Zealand law does not allow any cash to leave a Customs Controlled Area, it is not clear whether Customs can conduct controlled delivery relating to cash.
32. Cash couriers	LC	• The administrative penalty for false or non-declaration of cash through summary disposal is not proportionate and dissuasive.
33. Statistics	LC	• New Zealand does not maintain sufficiently comprehensive statistics on MLA, ML investigations and prosecutions and on all property frozen, seized and confiscated.
34. Guidance and feedback	LC	• The NZPFIU provides insufficient guidance and feedback on typologies. • There is a lack of sector-specific guidelines for TCSPs and casinos.
35. Sanctions	LC	• No sanctions are available for moderate-risk NPOs. • There are insufficient sanctions applicable to FI and DNFBP sectors that are not subject to licensing or entry controls. • The range of sanctions available to the supervisors could be strengthened, particularly in relation to administrative pecuniary penalties. • Civil sanctions available for breaches of AML/CFT requirements generally do not apply to directors and senior management of FIs and DNFBPs
36. International instruments	LC	• There are minor technical gaps in the implementation of the Merida Convention.
37. Mutual legal assistance	LC	• CLO has an insufficient case management system for MLA. • MACMA does not have specific provision to safeguard the confidentiality of MLA requests they receive, and the information contained in them. • MACMA provides no specific powers in relation to the taking of witness statements and does not empower the use of the full range of investigative techniques.
38. Mutual legal assistance: freezing and confiscation	LC	• The threshold for restraint or forfeiture requests regarding an instrument of crime is unduly restrictive.
39. Extradition	LC	• CLO has an insufficient case management system for extradition.
40. Other forms of international cooperation	LC	• The supervisors are not subject to any explicit provision to have prior authorisation or consent of the requesting competent authority to disclose information exchanged. • There is no explicit provision in the AML/CFT Act that allows RBNZ, FMA and DIA to conduct enquiries on behalf of foreign counterparts. • There is no explicit provision for RBNZ and FMA to have prior authorisation or consent of the requested financial supervisors to disclose information exchanged.

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Anti-money laundering and counter-terrorist financing measures in New Zealand

3rd Follow-up Report & Technical Compliance Re-Rating

As a result of New Zeland's progress in strengthening its measures to fight money laundering and terrorist financing since the assessment of the country's framework, the FATF has re-rated the country on five Recommendations.

Follow-up report