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IFA on anti-money laundering act – advisers must be vigilant

Financial advisers invited to undertake a survey on money laundering may believe the risk they face is too small and remote to worry about. But recent high profile frauds show that all financial advisers must be vigilant.

The Institute of Financial Advisers (IFA) president Lyn McMorran says under the new legislation, financial advisers are required to undertake an assessment of the risk of money laundering and the financing of terrorism they may reasonably expect to face in the course of their business.

The Securities Commission is also required to conduct a risk assessment of the entities under its supervision. As part of that exercise, the Securities Commission is carrying out a survey of these entities, including financial advisers.

“By filling out the survey, financial advisers will be able to help the Securities Commission find out what risk the financial adviser industry faces and how to reduce this risk.”

The Anti-Money Laundering and Countering Financing of Terrorism Act which was recently passed into law is aimed to help tackle financial and drug-related crime by assisting Police to detect and trace profits of organised crime groups.

As well as the Act enhancing the Government’s ability to investigate organised crime and follow illegal money trails through financial systems, the Act will also ensure New Zealand’s financial sector continues to be attractive to legitimate international investors, and is not seen as a safe haven for organised criminals and tax evaders.

“The online survey results will provide the Securities Commission with information to assess the risk of money laundering and the financing of terrorism in our industry,” McMorran says.

“Completing the survey will also assist advisers when they come to prepare for their risk assessment as required under the new financial industry regulations.”

Financial advisers who are not currently members of the IFA are asked to either contact the Securities Commission or visit the Securities Commission’s website.

ENDS

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