

28 September 2018

[personal information]

YOUR REQUEST FOR INFORMATION UNDER THE OFFICIAL INFORMATION ACT 1982 (OIA)

1. We refer to your email dated 5 September 2018, requesting information about resourcing for the AML/CFT work undertaken by the Securities Commission (**Commission**) and the Financial Markets Authority (**FMA**). Two of the questions you asked have been transferred to us for a response, as follows:
 - Why did the government reduce the dedicated anti money laundering FTEs from the allocated 12 when the securities commission established its AML/CFT team to 6 and then 3 and now 1.5 in the Financial Markets Authority?
 - What Human Resource has the government dedicated for each financial year, exclusively towards its AML/ CFT supervisory function, in the Securities Commission and then the Financial Markets Authority from 2010 until 2018.

Numbers of 'dedicated anti money laundering FTEs'

2. Your first question is about the reason why the number of dedicated staff has decreased over time.
3. As a preliminary point, the staffing numbers set out in your question do not align with our records. Correct staffing numbers are set out below.
4. A team of dedicated staff was first established by the Commission in January 2010. The team was called the AML/CFT Implementation Team, and it was made up of four full time equivalent staff members. The team's role was to prepare the Commission to implement the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (**Act**).
5. The team was disestablished on 30 June 2013, when the relevant provisions of the Act came into force, and its role came to an end. At that point, the FMA moved its AML/CFT work to an operational team with a broader range of responsibilities. We also reduced the number of dedicated staff members from four to one.
6. This is the only time that the number of dedicated staff has been reduced.
7. Broadly speaking, the reason for the new approach was that the nature of the FMA's AML/CFT work programme had changed. We had started actually carrying out our functions and powers under the Act.

8. It is not necessary or appropriate for the FMA to use only dedicated staff to operationalise the Act. This is mainly because the amount of our AML/CFT work is variable, making it important for us to be able to adjust the overall resourcing easily.
9. You may be interested in the FMA's current resourcing for AML/CFL work. Most of our AML/CFT work is carried out by the Supervision Team. The Supervision Team includes 32 full time equivalent staff members. Again, most of those staff members work on a range of issues, rather than focusing only on AML/CFT work. The exception is a 'dedicated' Principal Adviser. Notably, five staff members hold the Certified Anti-Money Laundering accreditation.

Human Resource for each financial year

10. Your second question is about the numbers of dedicated staff for each financial year from 2010 until 2018.
11. As explained above, from January 2010 until the 30 June 2013 there were four dedicated staff members. Since then, there has only been one dedicated staff member.
12. Importantly, the number of dedicated staff members at any given time is not an accurate indication of our overall resourcing for AML/CFT work, since most of it is undertaken by staff with a broader range of responsibilities.

Further assistance

13. Based on our understanding of your request, we have provided the information you have asked for within the required timeframe. However, if you wish to discuss this decision with us, please feel free to contact **[personal information]**
14. You also have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Yours sincerely

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