



## FINANCIAL SERVICES FEDERATION

31 July 2013

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TO:

Kirsty Campbell  
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Dear Kirsty

**Consultation Paper: “Practical Implications of Reporting Entities Transacting with Other Reporting Entities and the Fact Sheet on Managing Intermediaries”**

Thank you for the opportunity to submit on the consultation paper released by the Financial Markets Authority (“FMA”) titled “Practical Implications of Reporting Entities transacting with other Reporting Entities and the Fact Sheet on Managing Intermediaries” (the Consultation Paper).

By way of background, the Financial Services Federation (“FSF”) is the industry body for the responsible non-bank financial services sector. Its members provide financing, investment, banking and insurance services to over 1 million New Zealanders and our affiliate members include internationally recognised legal and consulting partners.

From our reading of the Consultation Paper, it appears that the difficulties being experienced by reporting entities that have customers who are themselves reporting entities lies in the interpretation of the AML Act definition of “beneficial owner”.

This is an issue that will impact some FSF members, although the FSF does not see it as a major issue as it might be for banks because relatively few FSF members would have many customers that are financial intermediaries. However to the degree that it may impact our members, we would say the following.

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**A National Federation of Financial Institutions**

Financial Services Federation Inc.  
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Our Affiliate member, Buddle Findlay, has prepared a detailed response to the Consultation Paper and has kindly provided FSF with a copy of this for our information. We are in agreement with its statement of the problems and intended solutions to mitigate them and would therefore support this approach to the FMA as a workable solution to the problems.

Please do not hesitate to contact me if you would like to discuss this matter further.

Yours sincerely

Lyn McMorran  
**EXECUTIVE DIRECTOR**

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