

5 April 2018

**[personal information]**

**YOUR REQUEST FOR INFORMATION UNDER THE OFFICIAL INFORMATION ACT 1982**

We refer to your request made on 14 March 2018 to the Financial Markets Authority (**FMA**) under the Official Information Act 1982 (**OIA**) in relation to the FMA's media release of 12 March 2018 regarding the five businesses being warned for Anti-Money Laundering/Countering Financing of Terrorism (**AML/CFT**) failures.

Please find below our response to each of your questions:

**(1) Were these all simply desk-based reviews?**

- Yes.

**(2) How many if any also resulted in on-site inspections (to date)?**

- 6 entities were recommended for on-site inspections resulting from the desk-based reviews.

**(3) You (FMA) say there will be "a further six monitoring visits" coming out of the review/audit report file inspections. Are there 6 entities other than the 5 issued warnings?**

- Yes, these are separate visits unrelated to the entities that received the warnings.

**(4) How does the FMA choose the entities it reviews, being the 64 this year and the 77 last year?**

- FMA applies a risk-based approach, based on the risk of the sector, the number of entities within the sector and the risk attributed to each entity within the sector and any other background information the FMA may have on the entities.

**(5) How many formal warnings has your agency given to date in total?**

- 22 warnings.

**(6) How many of those warnings were published?**

- 3 were published.

**(7) Is there any policy or guidance material, internal or otherwise, that guides the choice of reporting entities to inspect?**

- Yes.

**(8) May I please have a copy if so?**

- We have considered this request and determined that withholding the relevant information is necessary to avoid prejudice to the maintenance of the law, including the prevention, investigation and detection of offences on the basis of the grounds provided under s6(c) of the OIA. The information contains a scoring table to assess the risks associated with various sectors and reporting entities for monitoring selection. We consider that releasing such information would pose a real risk to the FMA's monitoring role as the AML/CFT supervisor as the information may be used by reporting entities to circumvent the chance of being subject to FMA's monitoring visits.

We note that you have a right by way of complaint under section 28(3) of the OIA to the Ombudsman, to seek an investigation and review of the FMA's decision to refuse to provide the information requested.

Yours sincerely

**[personal information]**

PUBLICATION SCHEDULE