

Letters to the Editor

Lawyers choose to mitigate AML risks

Mr Hart (*AML Regime*, letters, *LawTalk* 827, p26) says that the Financial Markets Authority (FMA) article mentioned after our paper *Mitigate [AML/CFT Act] risks for business advantage* (*LawTalk* 825, p12) refers only to the Financial Advisers Act. Lawyers' exemptions under both acts, however, use the same phrase; FMA guidance that exemptions "have narrow application" remains instructive.

He adds that the Department of Internal Affairs (DIA), not FMA, might become lawyers' supervisor. DIA is currently "default"

supervisor for "other" businesses, but when the exemption is lifted lawyers' supervisor may be an existing one, or not – eg NZLS. No decision has been made.

Mr Hart opines that "current potential compliance obligations for lawyers" have been overstated in recent articles. However:

The AML/CFT Act is already affecting lawyers' practices (*Stop criminals misusing legal services*, *LawTalk* 824, p18). Rabobank's plea in the letter preceding Mr Hart's is a practical example.

Firms can take simple measures to cut their business risks. (*Mitigate risks for business advantage*, *LawTalk* 825, p12). Damian Schade's article about AML insurance (p27) in the same issue as Mr Hart's letter is a practical example.

The Act is a timely reminder of lawyers'

existing obligations to report suspicious transactions.

These are simple facts, neither over- nor understated, we think.

Much like firms' options. Equally matter of fact:

- some may choose to do more than the minimum currently required, to protect their business;
- others may verify their existing obligations are being met, as a basic compliance check; and
- some might apply a "strategy" of hope; that what they're not looking for isn't happening.

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