

# House of Representatives

# Supplementary Order Paper

Tuesday, 1 August 2017

## Anti-Money Laundering and Countering Financing of Terrorism Amendment Bill

### *Proposed amendments*

Hon Amy Adams, in Committee, to move the following amendments:

#### *Clause 4*

In *clause 4* (page 6, after line 10), insert as subsection (2):

- (2) In section 4(5)(a), replace “suspicious transaction reports” with “the reporting of suspicious activities and prescribed transactions”.

#### *Clause 5*

In *clause 5*, replace the definition of **accounting practice** (page 6, lines 13 to 18) with:

**accounting practice** means—

- (a) an accountant in public practice on his or her own account in sole practice:
- (b) in relation to 2 or more accountants in public practice, and practising in partnership, the partnership:
- (c) an incorporated accounting practice

In *clause 5*, delete the definition of **law enforcement purposes** (page 9, line 17 to page 10, line 6).

In *clause 5*, replace the definition of **law firm** (page 10, lines 7 to 12) with:

**law firm** means—

- (a) a barrister or a barrister and solicitor who is practising on the barrister’s or barrister and solicitor’s own account in sole practice:

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- (b) in relation to 2 or more barristers and solicitors practising law in partnership, the partnership:
- (c) an incorporated law firm

After *clause 5(4)* (page 13, after line 28), insert:

- (4A) In section 5, replace the definition of **law enforcement purposes** with:

**law enforcement purposes** means—

- (a) the prevention, disruption, detection, investigation, and prosecution of—
  - (i) any offence under this Act; or
  - (ii) a money laundering offence; or
  - (iii) any offence within the meaning of that term in section 243(1) of the Crimes Act 1961; or
  - (iv) an offence under the Terrorism Suppression Act 2002:
- (b) the enforcement and administration of—
  - (i) this Act;
  - (ii) the Criminal Proceeds (Recovery) Act 2009;
  - (iii) the Misuse of Drugs Act 1975;
  - (iv) the Terrorism Suppression Act 2002;
  - (v) the Mutual Assistance in Criminal Matters Act 1992;
  - (vi) the Customs and Excise Act 1996:
- (c) the performance by the New Zealand Security Intelligence Service or the Government Communications Security Bureau of its functions under the Intelligence and Security Act 2017:
- (d) the detection and prevention of the harms specified in section 58(2) of the Intelligence and Security Act 2017:
- (e) any purpose or action referred to in **paragraphs (a) to (d)** relating to, or taken in respect of, legislation of an overseas jurisdiction that is broadly equivalent to the enactments referred to in those paragraphs

*Clause 6*

In *clause 6*, new *section 6(1)*, replace “at the close of **30 June 2017** or that comes into existence on or after **1 July 2017**” (page 15, lines 29 and 30) with “at the commencement of this section or that comes into existence on or after the commencement of this section”.

*Clause 13*

Replace *clause 13* (page 21, lines 11 to 13) with:

**13 Section 31 amended (Ongoing customer due diligence and account monitoring)**

In section 31(2)(b), replace “suspicious transaction under section 40(1)(b)” with “suspicious activity under **paragraph (b)** of the definition of that term in **section 39A**”.

*Clause 36*

In *clause 36*, new section 130(1)(d), replace “(a) and **(c)**” (page 33, line 8) with “(a) to **(c)**”.

*Clause 41*

After *clause 41(1A)* (page 38, after line 13), insert:

(1B) In section 142(c), replace “suspicious transaction” with “suspicious activity”.

*Clause 42*

In *clause 42(1)*, after “suspicious transaction report” (page 39, line 7), insert “or a prescribed transaction report”.

*Clause 49*

In *clause 49*, delete new section 154(1)(hb) (page 40, lines 28 and 29).

*Clause 52A*

In *clause 52A(2)*, after “Schedule” (page 43, line 29), insert “1”.

In *clause 52A(3)*, replace “After Schedule 2,” (page 43, line 31) with “In Schedule 1, above clause 1,”.

In *clause 52A(3)*, new *Part 1 heading*, after “**Financial**” (page 43, line 33), insert “**Transactions**”.

*Schedule 1*

In *Schedule 1*, new *clause 5(e)*, replace “**paragraph (b)**” (page 47, line 1) with “**paragraphs (b) and (d)**”.

In *Schedule 1*, after new *clause 6* (page 47, after line 8), insert:

**7 Exemption powers apply immediately to new reporting entities**

Any reporting entity or class of reporting entity to which, under **section 6(2)**, this Act does not yet apply but will apply at a future date may, on or after the commencement of this clause, apply for an exemption under section 157, and the powers and duties conferred by sections 157 to 159 in relation to applications for exemptions apply immediately.

*Schedule 2*

In *Schedule 2*, item relating to section 33(2)(c)(i) (page 48, line 31), delete “and (ii)”.

### **Explanatory note**

This Supplementary Order Paper amends the Anti-Money Laundering and Countering Financing of Terrorism Amendment Bill.

This Supplementary Order Paper—

- amends *clauses 4, 6, 13, 36, 41, 42, 49, and 52A* and *Schedules 1 and 2* to replace redundant references to “suspicious transactions” with “suspicious activities” and to make other corrections of an editorial nature:
- amends *clause 5* to provide that lawyers and accountants in sole practice are reporting entities but that in the case of 2 or more lawyers or accountants, as the case requires, practising in partnership, the reporting entity is the partnership itself:
- amends *clause 5* to remove a definition of law enforcement purposes that is already in the Act and that is inconsistent with a new definition of that term that is being inserted:
- inserts *new clause 7* into Schedule 1 of the principal Act (which deals with transitional, savings, and related provisions) to clarify that Phase 2 reporting entities may apply for, and may be granted, exemptions under the Act before the Act applies to those entities.