

Formal warning report

02 March 2015

MSL Capital Markets Limited ('MSL'), Level 3, Wakefield House, 90 The Terrace Wellington.

Formal warning for purposes of section 80 of Anti-Money Laundering and Countering Financing of Terrorism Act 2009

We have reasonable grounds to believe that you have engaged in conduct that constitutes a civil liability act under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the **Act**). You are required to comply with your obligations under the Act at all times.

Relevant sections of the Act

- Breach of Section 59(2): A reporting entity must ensure its risk assessment and AML/CFT programme are audited every 2 years or at any other time at the request of the relevant AML/CFT supervisor.
- Breach of Section 59(7): A reporting entity must provide a copy of any audit to its AML/CFT supervisor on request.

The following action(s) are required to ensure compliance with the Act:

- MSL must provide a copy of its AML/CFT audit to the FMA by 16 March 2015.

If you continue to engage in conduct that constitutes a civil liability act, or you do not take the actions required, civil or criminal enforcement action may be taken under the Act. This may result in (but is not limited to) the imposition of—

- civil penalties of up to \$200,000, in the case of an individual, and \$2 million, in the case of a body corporate; and
- criminal penalties of imprisonment for up to two years or a fine of up to \$300,000, in the case of an individual, and \$5 million, in the case of a body corporate.

Please note that issuing this formal warning to you does not affect the Financial Markets Authority's ability to consider or impose other appropriate sanctions under the Act.

If you believe the facts as stated in this notice are incorrect or incomplete, please contact us by 06 March 2015.



Elaine Campbell
Financial Markets Authority