

**Payroll Remittance**

The overall risk assessment rating for Payroll Remittance is **LOW**.

The features identified in the table of this guide will help businesses conduct risk assessments about money laundering and financing of terrorism.

They will help you create policies and procedures which accurately reflect how much your business could be affected by money laundering.

The table does not cover every way a money launderer may use your business. It reflects ways that money launderers have acted in the past. We encourage you to think about other situations that may apply to your specific business.

Transactions or activities listed in the table may not necessarily signal money laundering if they are consistent with a customer’s legitimate business.

Based on knowledge of your own business you should decide what risk particular customers or transactions pose and how you can lessen that risk.

|  | | **HIGHER RISK CHARACTERISTICS** | **LOWER RISK CHARACTERISTICS** |
| --- | --- | --- | --- |
| **Services Offered** | | Payment of funds outside New Zealand; | Payment of funds only domestically; |
| Paying employees through payroll cards; |  |
| High volume or high frequency of transactions that may mask false wage recordings, false expense reimbursement claims, or a fictitious or “ghost” employee on the payroll; |
| **The nature and complexity of the business** | Methods of payment and funding | Anonymous funding sources (for example cash); | Funding through accounts held at financial institutions; |
| Third party source of funds; |  |
| High number of cash payments; | Low cash/ high direct debt transactions; |
| Person to person (p2p) transactions; | Person to business (p2b), business to business (b2b) transactions; |
| Customers dealt with | International customers; | New Zealand registered companies; |
| The methods by which products and services are delivered to customers | Transactions obtained by contracting from an outside supplier (including from other countries); | All processes completed in-house; |