

Ministerial Exemptions Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009

In accordance with section 157(6)(b) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“Act”), the Associate Minister of Justice hereby gives notice that he has granted the following a partial exemption from the requirements of Paragraph (d) relating to the definition of “designated business group” under section 5 of the Act:

Ministerial Exemption: Motor Trade Finances Group

1. The exemption is granted subject to the following conditions:
 - a. Motor Trade Finances Group (“MTF”) is required to satisfy all other requirements of the definition of a “designated business group”;
 - b. each member of the designated business group is a wholly owned subsidiary of MTF Limited or party to a franchise agreement with MTF Limited, which is similar to each other such agreement in all material respects; and
 - c. all other provisions of the Act apply.
2. The exemption has been granted for the following reasons:
 - a. Sub-paragraph (d) of the term “designated business group” (DBG) contained within section 5 of the Act provides that in order to be classed as a DBG, each member must be related to each other within the meaning of section 2(3) of the Companies Act 1993.
 - b. MTF cannot rely on sub-paragraph (d) as its members do not meet the test for being related to each other under section 2(3) of the Companies Act 1993. This is because the majority of its members are franchisees.
 - c. The exemption will allow MTF to achieve consistency across all the franchisees, ensuring that they meet the obligations under the Act by allowing one compliance officer in the head office to formulate a shared risk assessment and compliance programme for the whole group.
 - d. This exemption is consistent with (and has no effect on the purpose or intent of) the Act, the Financial Transactions Reporting Act 1996 and New Zealand’s international obligations as a member of the Financial Action Taskforce and the Asia Pacific Group on Money Laundering.
3. This exemption came into force on the day after the date I granted this exemption (**22 September 2016**).
4. This exemption will expire on **30 June 2020**.

Any person wishing to provide comment on this notice should contact the Criminal Law Team at the Ministry of Justice by emailing international.crime@justice.govt.nz.