

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 exemption from the Act:

Ministerial exemption: Network Tasman Charitable Trust (CC23595)

1. As the Associate Minister of Justice, and pursuant to section 157 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, I exempt Network Tasman Charitable Trust (NTCT) from the following provisions of the Act:
 - a. Sections 10-71 inclusive.
2. This exemption is made subject to the following conditions:
 - a. NTCT must inform the Ministry of Justice of any changes that may affect the exemption and/or conditions within 14 days from when the change affecting the exemption occurs.
3. The exemption has been made for the following reasons:
 - a. NTCT do not accept deposits from the public and, therefore, there is no opportunity for an individual to inject cash into the loan pool as an investment and receive it back as clean money.
 - b. NTCT, as prescribed in their trust deed, may only provide loans to a limited geographical area - the wider Nelson region and Tasman areas. This reduces the money laundering and terrorist financing risk associated with the reporting entity because the number of possible applicants is limited.
 - c. Applicants under the loan scheme are required to report back to NTCT on how the loan was spent once the charitable event or project has finished. This provides comfort that NTCT are exercising supervision over the loans and the recipients and would, therefore, be able to detect suspicious activity should it occur.
 - d. Due to the low money laundering and terrorism financing risk associated with the loan scheme operated by NTCT, and the significant compliance costs that would arise, I consider that NTCT would be subject to an undue regulatory burden in absence of this exemption.
 - e. Granting this exemption is unlikely to affect third party reporting entities.
4. This exemption comes into force on **2 July 2018**.
5. This exemption will expire on **30 June 2023**.

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.

Dated this 2nd of July 2018.

HON AUPITO WILLIAM SIO, Associate Minister of Justice.