

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

In accordance with section 157 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“Act”), the Associate Minister of Justice granted the following exemption from the Act:

Ministerial Exemption: Change Global Exchange Pty Limited

Exempting Change Global Exchange Pty Limited (“CGE”) from:

- a. Sections 68(1)(b) and 70(d)(ii) of the Act.
- b. With respect to its business of collecting unwanted foreign currency from New Zealand clients, transporting the currency to Australia for sorting and counting purposes, and providing back to the clients the value of the currency.
- c. For a trial and monitored period of one year from the date the exemption is granted.
- d. On the understanding that all conditions listed below are met at all times.

The exemption is subject to the following conditions:

Estimated Border Cash Reports for exports

- a. Estimated Border Cash Reports (BCRs) and Customs Entries must be lodged with New Zealand Customs within a minimum of 48 hours before export.
- b. A copy of the estimated BCRs should be attached to CGE’s Customs Entry in Trade Single Window.
- c. CGE must be listed as the importer/exporter on both the Customs Entry and on the BCR. No other name is acceptable.
- d. CGE must make a reasonable estimate of the value of currency being shipped. CGE may need to develop a methodology that is fit-for-purpose for making reasonable estimates.

Final Border Cash Reports

- e. Accurate final BCRs must be provided to New Zealand Customs within two months of export. Other timeframes are unacceptable. Lodgement with an alternative agency is unacceptable.
- f. When submitting a final BCR, CGE must amend its export entries as well as its estimate BCRs to reflect the new values, differing currencies, weight, and craft. A breakdown of currency by type, the exchange rate relating to each currency as it is converted to NZD, and the values in NZD for each currency type, as well as the total NZD, are all required.
- g. The value exported as submitted on the final BCR must be reasonably close to the value estimated on the estimate BCR. Reasonably close means within a few percentage points of difference in value.

Import Entries

- h. Any import entries must be completed accurately for the re-import of the goods in line with New Zealand Customs' legislation/rules.

Rectification of previous errors

- i. All export and import entries prior to this exemption must be reviewed and amended to reflect the true value of the goods that have been moved across the border on behalf of CGE by its customs brokers.
- j. Copies of previous BCRs must be attached to CGE's previous Customs Entries.

Monitoring and potential revocation of exemption

- k. CGE is accountable to complying with this exemption and its conditions. If CGE utilises a broker or intermediary for its compliance with the conditions, CGE is accountable for ensuring that broker or intermediary complies with this exemption and its conditions.
- l. New Zealand Customs and the Financial Intelligence Unit of the New Zealand Police will monitor this exemption regularly.
- m. The exemption will be revoked if a single condition is breached a single time.

Changes to business

- n. CGE must inform the Ministry of Justice of any changes that may affect the exemption and/or conditions imposed by this written instrument within 10 working days from which the change affecting the exemption occurs.
- o. The words "changes that may affect the exemption and/or conditions imposed", in this context, include but are not limited to:
 - i. The nature, size, and complexity of business.
 - ii. Products and services.
 - iii. Service delivery arrangements.
 - iv. Countries dealt with.
 - v. Customer types.
 - vi. Any new "for profit" customers.

The exemption with these conditions is granted because, on balance, a tightly scoped exemption along with its conditions to mitigate the risk of money laundering or terrorism financing is appropriate for CGE, for the following reasons:

- a. CGE has a very small customer base, with most of those customers being charities.
- b. Some of its customers are themselves reporting entities under the AML/CFT Act.

- c. The cash is moved from New Zealand to Australia. Australia has its own AML/CFT regime which will monitor transactions coming into Australia. All transactions are then processed through registered banks which also have their own AML/CFT obligations, including transaction monitoring and suspicious activity reporting.
- d. The exemption is monitored by the Financial Intelligence Unit at New Zealand Police and New Zealand Customs.

The exemption comes into force on 1 May 2023.

The exemption will expire on 1 May 2024.

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