

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: Computershare Investor Services Limited

1. As the Associate Minister of Justice and pursuant to section 157 of the Act, I exempt Computershare Investor Services Limited (“CIS”) from:

- a. Sections 10–30 and 49–71 of the Act.

In relation to its Investor Trade Services only.

The exemption is subject to the following conditions:

The exemption only applies where these criteria apply:

- a. Where relevant, CIS must submit suspicious activity reports; Subpart 2 of Part 2 of the Act applies.
- b. Where the transaction is relevant to a suspicious activity, section 49, section 49A and sections 92–100 of the Act apply.
- c. Where relevant thresholds are met, CIS must submit prescribed transaction reports; Subpart 2A of Part 2 applies and sections 92–100 of the Act apply.
- d. Securities sold via Investor Trade must be listed on either the NZX Main Board (NZSX) (or any other equity market operated by NZX), or the Australian Stock Exchange (ASX).
- e. Security holdings must be sold “whole” (an investor-customer’s entire holding of the particular securities in question).
- f. The listed security holding must be in an investor-customer’s name and cannot be held in a deceased estate or be a joint or company holding.
- g. Payments made by CIS to investor-customers are restricted to payments to New Zealand bank accounts only.
- h. CIS 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.

The exemption with these conditions is granted because, on balance, CIS presents a low risk of money laundering or terrorism financing (“ML/TF”), for the following reasons:

- a. Monitoring occurs at multiple stages and by multiple entities when a purchase of securities occurs. Any ML/TF would have occurred/be discovered prior to a sale of securities via Investor Trade.
- b. The nature of the trade reduces the attraction of and ability for ML.

- c. The risk of ML/TF is reduced due to: (i) Investor Trade's technology, (ii) the processes to identify and verify Investor Trade sellers, and (iii) the account locking procedure.
- d. Eligibility criteria for using CIS's Investor Trade platform include limiting the sale of securities to natural persons only and only small parcels can be held. Individuals must also hold securities in an NZX-listed entity for which CIS maintains the register and be New Zealand residents.
- e. In combination, these processes give confidence that a person seeking to sell securities via Investor Trade is in fact the person who holds securities in the relevant NZX-listed entity and is recorded as the relevant holder on the register.

The exemption comes into force on 30 June 2023.

The exemption will expire on 30 June 2028.

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.