

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: Fonterra Shareholders Fund Management Company Limited

Exempting Fonterra Shareholders Fund Management Company Limited (FSFMCL) from:

- a. Sections 10–71 from the Act with respect to FSFMCL’s obligations as manager of the Fonterra Shareholders Fund (FSF) pursuant to the FSF Unit Trust Deed.

The exemption is subject to the following conditions:

- a. FSFMCL inform the Ministry of Justice when Flexible Shareholding changes occur and are passed by Parliament, because this would be a material change to the nature of FSFMCL’s business. This would allow the Ministry to reassess the risks of money laundering and terrorism financing (ML/TF) at that time and whether this exemption continues to remain appropriate.
- b. FSFMCL 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, FSFMCL presents a low risk of ML/TF, for the following reasons:

- a. The risk of ML/FT in the managed investment scheme sector is medium-low.
- b. However, FSFMCL does not manage the FSF or the assets of the FSF in a manner similar to a conventional fund manager. It has no choice over the property held for the FSF nor the decision to acquire or dispose of economic rights or liquidate those economic rights for cash.
- c. FSFMCL does not have a bank account so cannot receive or transfer money when it issues units or facilitates the redemption of units in the FSF, which is its main job according to the FSF Unit Trust Deed. FSFMCL is not involved in any cash transactions.
- d. FSFMCL is prohibited from soliciting further investment or declining investments.

The exemption comes into force the day after publication.

The exemption will expire on 17 January 2028.

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