

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, Hon Aupito William Sio, gave notice on 23 May 2022 that he has granted the following exemptions from the Act:

Ministerial Exemption: New Zealand Clearing Limited, New Zealand Depository Limited, and New Zealand Depository Nominee Limited

Exempting the subsidiaries of the New Zealand Clearing and Depository Limited, trading as NZX Clearing (New Zealand Clearing Limited, New Zealand Depository Limited, and New Zealand Depository Nominee Limited) from sections 10-71 (inclusive) of the Act.

The following conditions to the exemption are attached:

- a. That New Zealand Clearing Limited, New Zealand Depository Limited and New Zealand Depository Nominee Limited ensure that:
 - i. The provision and revocation of access to the BaNCS Settlement System is undertaken by NZX consistent with the Act.
 - ii. Before establishing a person in the BaNCS Settlement System, NZX Clearing receives appropriate verification that the person is an authorised employee of the Clearing and/or Depository Participant.
- b. That New Zealand Clearing Limited only accredits persons who meet the eligibility requirements set out in New Zealand Clearing Limited’s Clearing and Settlement Rules as Clearing Participants.
- c. That New Zealand Depository Limited only accredits persons who meet the eligibility requirements set out in New Zealand Depository Limited’s Depository Operating Rules as Depository Participants.
- d. That New Zealand Clearing and Depository Limited (trading as NZX Clearing) must inform the Ministry of Justice of any changes that may affect the exemption within 10 working days from when the change affecting the exemption occurs.

The exemption has been granted with the stated conditions to:

- a. Reduce the administrative and compliance burden of New Zealand Clearing Limited, New Zealand Depository Limited and New Zealand Depository Nominee Limited.
- b. Ensure that anti-money laundering and financing of terrorism risks associated with the clearing and securities settlement system operated by NZX Clearing, New Zealand Clearing Limited, New Zealand Depository Limited and New Zealand Depository Nominee Limited, remain at a low level.

This exemption comes into force on 21 November 2022.

This exemption will expire on 20 November 2027.

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