

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 gave notice on 21 August 2018 that he has granted the following exemption from the Act:

Ministerial Exemption: RD Petroleum Limited

Exempting RD Petroleum Limited (“RD Petroleum”) from the following provisions of the Act.

- a. Sections 10–39;
- b. Sections 48A–48C;
- c. Section 49; and
- d. Sections 50–71.

This exemption is made subject to the following conditions:

- a. RD Petroleum 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 when the change affecting the exemption occurs;
- b. A fuel cardholder’s nominated bank account (for the purpose of payment of the fuel cardholder’s account) must be with a registered bank (as that term is defined in section 2(1) of the Reserve Bank of the New Zealand Act 1989); and
- c. Invoices cannot be paid by way of cash transaction.

This exemption only applies to the following financial activities offered by RD Petroleum:

- a. The issuance of RD Petroleum’s fuel card to qualifying customers, and allowing cardholders to purchase fuel and be invoiced at a later date.

The exemption has been made for the following reasons:

- a. There is a low risk of money laundering and terrorism financing through RD Petroleum because:
 - i. The fuel card balances are paid via direct debit from a bank account with a registered bank or by cheque or credit card; no cash is introduced into the financial system.
 - ii. RD Petroleum has a stable, local and well-known customer base. There is no anonymity in any of the transactions conducted between RD Petroleum and its fuel cardholders.
 - iii. The average value of transactions is low.
- b. Money laundering and financing of terrorism risks are further mitigated by the condition of this exemption, requiring RD Petroleum to report suspicious activities; and

- c. The obligations imposed on RD Petroleum in the absence of an exemption would be disproportionate given the low risk of money laundering and financing of terrorism.

This exemption comes into force on 14 August 2018.

This exemption will expire on 30 June 2023.

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.