

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

In accordance with section 157(4) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“Act”), the Associate Minister of Justice hereby gave notice on 13 July 2022 that he has granted the following exemptions from the Act:

Ministerial exemption: RewardPay (NZ) Limited

Exempting RewardPay (NZ) Limited (RPNZ) from sections 10–39, 48A–48C, and 50–71 of the Act with respect to business-to-business invoice payments using AMEX NZ credit cards where:

- a. Payors are registered NZ companies, registered RPNZ customers, and existing clients of AMEX NZ.
- b. Payments are transferred from the payors’ AMEX NZ credit cards to payees which:
 - Are government departments or Crown entities; and
 - Agree to receive payments from RPNZ.

The exemption is subject to the following conditions:

- a. RPNZ must report any suspicious activities in accordance with sections 39A–48 of the Act.
- b. RPNZ must complete the relevant level of customer due diligence prescribed by the Act in respect of any suspicious activity report.
- c. RPNZ must hold and maintain evidence of payments made through its payment system in accordance with section 49 and 49A of the Act.
- d. RPNZ 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 because the risks of money laundering and terrorism financing (ML/TF) associated with RPNZ are considered to be low. The activity will:

- a. Not include cash transactions.
- b. Have limited international exposure and not facilitate the international transfers of funds.
- c. Only operate domestically.
- d. Involve only low-risk payees, all of which are subject to robust public accountability requirements.
- e. Operate with a limited payor base (of NZ-registered and RPNZ-registered companies with a pre-existing relationship with AMEX NZ, that have financial obligations with one or more of the three payees).
- f. Only transfer payor payments from AMEX cards with numbers proving that they have been issued in NZ (and so the cardholders have already been subject to customer due diligence and are

subject to ongoing monitoring in accordance with the Act, through AMEX NZ's systems). This mitigates ML/TF concerns relating to non-face-to-face onboarding of payors.

- g. Utilise second-factor customer authentication/verification from the payor's NZ mobile phone number for every payment transaction prior to the transaction entering the authorisation phase with AMEX.
- h. Largely involve a closed loop environment. There are limited instances whereby funds might be returned to the payor and mitigations will be in place in relation to those. If the payment is cancelled for any reason, the funds will be transferred back to Amex NZ.

The exemption retains obligations relating to suspicious activity reporting and record keeping.

The exemption comes into force the day after gazetting.

The exemption will expire on **6 July 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.