

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 20 August 2018 that he has granted the following exemption from the Act:

Ministerial exemption: The Government Superannuation Fund Authority

Partially exempting the Government Superannuation Fund Authority (“Authority”) from the following provisions of the Act in relation to its role as administrator and manager of the Government Superannuation Fund (“Fund”):

- a. Sections 10–71 inclusive.

This exemption is made subject to the following conditions:

- a. The Authority is required to comply with sections 39A–48 of the Act in relation to suspicious activity reports;
- b. The Authority must undertake enhanced customer due diligence in accordance with sections 22–25 of the Act on every member applying to purchase service;
- c. The Authority is required to comply with section 26 of the Act and take reasonable steps to determine whether any of its existing members are politically exposed persons (“PEP”). Reasonable steps should be taken to trace the source of funds if any PEPs identified attempt to purchase service or introduce other funds separate from payroll;
- d. The Authority is required to prepare a risk assessment in line with the requirements of section 58 of the Act;
- e. The Authority is required to undertake a comprehensive review of its risk assessment if there is a material change to its business or the operation of any of the superannuation schemes which make up the Fund;
- f. If, following a review, the Authority considers that it faces a materially greater money laundering/terrorism financing risk as a result of that change, it is required to notify the Ministry of Justice and the Financial Markets Authority to undertake to work with those bodies to agree on how to manage those risks;
- g. The Authority must appoint an AML/CFT Compliance Officer in accordance with section 56(2) and (4) to oversee compliance with these conditions; and
- h. The Authority must inform the Ministry of Justice of any changes that may affect the exemption within 10 working days of when the change occurs.

The exemption has been made for the following reasons:

- a. The superannuation schemes that make up the Fund only allow withdrawals in limited circumstances;

- b. No new members can join these superannuation schemes;
- c. The superannuation schemes are employer based superannuation schemes with contributions being deducted from salary and wage payments; and
- d. The superannuation schemes are defined benefit superannuation schemes, meaning that retirement benefits payable from the superannuation schemes are defined by reference to a formula which takes into account variables such as length of service and average final salary.

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.