

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: Government Superannuation Fund Authority

Exempting the Government Superannuation Fund Authority (“Authority”) from:

- a. Sections 10–71 of the Act.

The exemption is 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 is required to prepare a risk assessment in line with the requirements of section 58 of the Act:
- c. 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:
- d. If, following a review, the Authority considers that it faces a materially greater money laundering/terrorism financing (“ML/TF”) 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:
- e. The Authority must appoint an AML/CFT Compliance Officer in accordance with section 56(2) and (4) to oversee compliance with these conditions; and
- f. The Authority 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 was granted because, on balance, the Authority presents a low ML/TF risk for the following reasons:

- a. The Authority is a Crown Entity. It has governing legislation and is subject to a range of oversight and accountability legislation, including the Crown Entities Act 2004, the Official Information Act 1982, the Public Audit Act 2001, and the Public Records Act 2005.
- b. No new members can join the superannuation schemes that make up the fund operated by the Authority. The schemes have been closed for 30 years.
- c. The superannuation schemes are employer-based superannuation schemes with contributions being predominantly deducted from salary and wage payments.

- 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 making it difficult to withdraw the same amount of money that was put into the scheme.
- e. Since the Authority's last exemption was granted, a very low number of withdrawals have occurred and therefore any suspicious activity would be easily discovered.
- f. The superannuation schemes that make up the fund only allow withdrawals in limited circumstances.

The exemption comes into force on 30 June 2023.

The exemption will expire on 30 June 2028.

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