

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, the Associate Minister of Justice gave notice on 17 December 2019 that he has granted the following exemption from the Act:

Ministerial exemption: Dunedin Budget Advisory Service

Exempting the Dunedin Budget Advisory Service (DBAS) from the following provisions of the Act:

- a. Sections 10–71 inclusive.

This exemption is made subject to the following conditions:

- a. DBAS remains a registered charity pursuant to the Charities Act 2005; and
- b. DBAS must inform the Ministry of Justice of any changes that may affect the exemption within 10 days of when the change occurs.

This exemption has been granted for the following reasons:

- a. There is a low risk of money laundering and terrorism financing (ML/TF) through the Total Money Management (TMM) service provided by DBAS;
- b. TMM is a social budgeting service which is only offered to specific domestic customers;
- c. DBAS has an ongoing personal relationship with these customers. The absence of anonymity decreases any ML/TF risk;
- d. The funds that DBAS manage come from verifiable sources and so there is a low risk that funds from illegitimate sources are co-mingled with the funds TMM manages;
- e. The transactions DBAS manage are low in value and no loans are granted. The limited scope of DBAS' services further reduces any ML/TF risk; and
- f. Due to the low ML/TF risk associated with DBAS and the significant compliance costs that would arise from not granting this exemption, I consider that any benefits of requiring compliance with the Act are not justified by the associated costs.

This exemption comes into force on 14 November 2019.

This exemption will expire on 31 October 2024.

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.