

## **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 6 April 2020 that he has granted the following exemption from the Act:

### **Ministerial Exemption: Newtown Ethical Lending Trust**

Exempting Newtown Ethical Lending Trust (NELT) from the following provisions of the Act:

- a. Sections 10–71 inclusive.

This exemption is made subject to the following conditions:

- a. NELT must state in their Customer Terms and Conditions document that they do not accept cash for the repayments of loans; and
- b. NELT must inform the Ministry of Justice of any changes that may affect the exemption within 14 working days of when the change occurs.

The exemption has been granted for the following reasons:

- a. the risk of money laundering/terrorist financing (ML/TF) associated with NELT’s business activities is low. NELT is a non-for-profit organisation that provides interest-free loans to borrowers that meet strict eligibility criteria;
- b. NELT offers its limited services to a targeted group of beneficiaries and applies robust internal processes to confirm the identity of the applicants and the purpose for which the loans will be used;
- c. granting this exemption would have little to no impact on the prevention, detection, investigation and prosecution of ML/TF offences;
- d. granting NELT an exemption would have no impact on the integrity of, and compliance with, the AML/CFT regulatory regime; and
- e. granting NELT this exemption is unlikely to affect third-party reporting entities. As a non-for-profit organisation, NELT has no competitors. An exemption would therefore not create an unfair advantage for NELT or disadvantage third party reporting entities.
- f. the obligations imposed on NELT would be disproportionate given the low risk of money laundering or terrorist financing in the circumstances outlined in this exemption.

This exemption comes into force on 16 March 2020.

This exemption will expire on 28 February 2025.

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](mailto:amlcft.exemptions@justice.govt.nz).