

## **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, Hon Aupito William Sio, gave notice on 23 May 2022 that he has granted the following exemptions from the Act:

### **Ministerial Exemption: FACTS Management NZ Limited**

Exempting FACTS Management NZ Limited (“FACTS Management”) from the due diligence provisions in the Act (sections 10–39) for services relating to the financial transactions of fee payers.

The following conditions to the exemption are attached:

- a. This exemption only applies where FACTS Management’s educational provider customers are **“New Zealand educational institutions”**.
- b. All sections in the Act other than sections 10–39 apply to FACTS Management’s fee payer customers.
- c. However, if any of the circumstances in section 22 of the Act apply, FACTS Management is required to conduct enhanced customer due diligence on its fee payer customers.
- d. FACTS Management 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.

**“New Zealand educational institutions”** are defined as:

**“State schools”** as defined in section 10 of the Education and Training Act 2020 (“ETA”).

**“State integrated schools”** established in accordance with the ETA.

**“Private schools”** established in accordance with the ETA.

**“Tertiary education institutions”** established in accordance with the ETA.

**“Registered establishments”** which are private training establishments granted registration by NZQA under the ETA.

**“Tertiary education providers”** as defined in section 10 of the ETA.

The exemption has been granted with the stated conditions to reduce administrative and compliance burden to FACTS Management while ensuring that the anti-money laundering and financing of terrorism risks associated with its business remain at a low level.

The stated conditions mitigate the risks I consider are associated with FACTS Management’s business:

- a. Any person will be able to sign up to FACTS Management’s payment management services as a fee payer, not just parents and caregivers.
- b. FACTS Management will not have a direct relationship with the fee payer.

- c. It would be possible for a money launderer to use FACTS Management's services (as a fee payer) to legitimise the proceeds of crime. This is most likely to be a feasible proposition where the educational provider receiving the payments is not subject to rigorous regulatory or statutory oversight.

This exemption comes into force on **12 May 2022**.

This exemption will expire on **12 May 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](mailto:amlcft.exemptions@justice.govt.nz).