

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 25 July 2018 that he has granted the following exemption from the Act:

Ministerial exemption: The Accident Compensation Corporation

Exempting the Accident Compensation Corporation (“ACC”) from all provisions of the Act:

This exemption is made subject to the following condition:

- a. ACC must inform the Ministry of Justice of any changes that may affect the exemption within 14 days of when the change occurs.

The exemption has been made for the following reasons:

- a. As a Crown Financial Institution, ACC is subject to a number of public accountability and transparency mechanisms as well as a Ministerial oversight regime under the Accident Compensation Act 2001, the Crown Entities Act 2004, the Official Information Act 1982, the Public Audit Act 2001, and the Public Records Act 2005.

The risk of money laundering/terrorist financing associated with ACC is low as:

- a. ACC can only invest its own money (specifically, the money collected through the levies described above). ACC cannot invest funds belonging to or on behalf of a third party as it has no statutory authority to do so (as a statutory entity, it derives all of its powers from statutes). As a result, ACC only receives or makes payments to its counterparties, which are other institutional market participants.
- b. ACC’s activities are already subject to legislative constraints and Ministerial oversight.
- c. The obligations imposed on ACC by the Act would be disproportionate given the low risk of money laundering or terrorist financing.

This exemption comes into force on 23 July 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.