

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: Timaru Budget Advisory Trust

Exempting the Timaru Budget Advisory Trust (TBAT) from the following provisions of the Act:

- a. Sections 10–71 inclusive.

This exemption is made subject to the following conditions:

- a. TBAT remains a registered charity pursuant to the Charities Act 2005; and
- b. TBAT 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 TBAT;
- b. TMM is a social budgeting service which is only offered to specific domestic customers;
- c. TBAT has an ongoing personal relationship with these customers. The absence of anonymity decreases any ML/TF risk;
- d. The funds that TBAT manages 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 TBAT manage are low in value and no loans are granted. The limited scope of TBAT's services further reduces any ML/TF risk; and
- f. Due to the low ML/TF risk associated with TBAT 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.