

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 hereby gave notice on 15 March 2021 that he has granted the following exemption from the Act:

Ministerial Exemption: Moray Foundation Trust

Exempting Moray Foundation Trust (MFT) from the following provisions of the Act:

- a. sections 10–71 (inclusive).

This exemption is made subject to the following conditions:

- a. MFT remains a registered charity pursuant to the Charities Act 2005; and
- b. MFT must inform the Ministry of Justice of any changes that may affect the exemption and/or conditions imposed by this written instrument within 10 days from when the change affecting the exemption occurs.

For the avoidance of doubt, changes that may affect the exemption include, but are not limited to:

- a. a change to the loan. For instance, we would expect that any changes to the \$6000 loan cap, as trialled by MFT in 2019, be notified to the Ministry of Justice as part of the condition on the exemption; and
- b. if MFT makes any payment to any overseas charities.

This exemption has been made for the following reasons:

- a. MFT is a small loan fund operating in the Otago region. It offers a community service that seeks to assist low income individuals and families with debt consolidation, health, welfare, and education, and to help people avoid unsustainably high interest debt for life necessities.
- b. Both the maximum value and average value of loans provided by MFT are low (\$6,000 and \$1,800 respectively). Furthermore, loans can only be applied for with support from an approved Otago budgeting service, and this process includes proof of ID, address, and full disclosure of the client’s financial circumstances.
- c. MFT has a limited pool of funding available for loans built up from donations and grants from community organisations. MFT does not seek to generate profit from its lending activity, and all accounts are audited annually.
- d. Loans are paid to the relevant Otago budgeting service who oversees the repayment of the debt. As such, the recipient of the loan is not able to access the funds, as the relevant budgeting service makes payments to creditors on the recipient’s behalf.

This exemption comes into force on the 9 March 2021.

This exemption will expire on 9 March 2026.

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.