

Ministerial Exemptions Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009

In accordance with section 157(4) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“Act”), the Associate Minister of Justice gave notice on 7 September 2022 that he has granted the following exemptions from the Act:

Ministerial Exemption: Spark Foundation and Perpetual Guardian Holdings Limited in Relation to the Online Platform Givealittle

Revoking the Spark Foundation (Givealittle) exemptions from the Act, as listed below, because the Givealittle online platform has been sold by the Spark Foundation to Perpetual Guardian (Givealittle) Holdings Limited:

- *New Zealand Gazette*, 17 December 2019, Notice No. 2019-go5880 (relating to Donees on the online Givealittle platform).
- *New Zealand Gazette*, 14 February 2018, Notice No. 2018-go699 (for Donors with Donor accounts on the platform).

Granting Perpetual Guardian (Givealittle) Holdings Limited (Givealittle) an exemption from sections 10–29, 31 and 37 of the Act in these situations:

- a. Donees that are schools administered by the Ministry of Education or charities with tax Donee status, where:
 - i. The total value of money paid to the Donee in any consecutive 12-month period is less than \$10,000.
 - ii. The cause in relation to which the Donee is raising funds has no connection with any country which is high risk from a money laundering or terrorist financing perspective. This must be determined in accordance with:
 - The Countries Assessment Guideline published by the AML/CFT supervisors.
 - Country compliance with the recommendations of the Financial Action Task Force.
 - Reference to New Zealand’s List of Designated Terrorist Entities (UN-listed and non-UN listed).
- b. In respect of other Donees, where the total value of money paid to the Donee in any consecutive 12-month period is less than \$1,000.
- c. Account Donors, where:
 - i. The monetary balance in their Donor Account is under \$5,000.
 - ii. The Donor Account is not credited with \$10,000 or more in a consecutive 12-month period.

The exemption is subject to the following conditions:

- a. Givealittle must identify, monitor, and conduct customer due diligence in compliance with the Act on any Donee or Account Donor that does not meet the criteria in the exemption.
- b. A monetary balance in a Donor Account can only be transferred to a Donee Account.
- c. Refunds to the Account Donor of the monetary balance in their Donor Account should remain rare and only carried out in “exceptional circumstances” such as when the Account Donor has made an accidental payment to their Donor Account or to a Donee.
- d. If Givealittle is concerned about a request for a Donor Account refund, it will carry out customer due diligence.
- e. The Donor Account must not be loaded directly through transfer from an account held at a financial institution that is:
 - i. Unregulated for AML/CFT purposes; or
 - ii. Located in a country with insufficient AML/CFT systems and measures.
- f. The donations aggregated in the Donee Account must be paid into an account held at a New Zealand financial institution.
- g. Givealittle must notify the Ministry if material increases are experienced, compared to 2021 figures, in:
 - i. The number or average value of refunds to Account Donors, per annum.
 - ii. The number or value of international donations to Donees, per annum.
- h. Givealittle must notify the Ministry of Justice if there are any changes that may affect this exemption within 10 working days from when the change affecting the exemption occurs.

The exemption has been granted with the stated conditions to reduce administrative and compliance burden to Givealittle while ensuring that the money laundering and terrorism financing (ML/TF) risks associated with its activities remain at a low level. In addition, the risks of ML/TF associated with this exemption are mitigated to a low level by these factors –

- a. Givealittle does not accept cash, does not send money internationally, provides public transparency on why funds are raised (and by whom), and all funds raised must be paid into an account held at a New Zealand financial institution.
- b. Givealittle has internal mechanisms in place to:
 - i. Verify and scrutinise Donees, carry out Donee page moderation and risk rating daily, and carry out customer due diligence if risk thresholds are triggered.
 - ii. Carry out customer due diligence in relation to a cause in a high-risk country before any payments are made to a Donee.
 - iii. Monitor Account Donors and donations, carry out a daily risk rating, and investigate any transactions that trigger a risk threshold.
 - iv. Investigate and report any suspicious activity.

The revocation and new exemption come into force the day after publication.

The exemption will expire on **5 September 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.