



## **Anti-Money Laundering and Countering Financing of Terrorism (Class Exemptions) Amendment Notice (No 2) 2023**

This notice is made by the Minister of Justice under section 157(1) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 after—

- (a) having had regard to the matters specified in section 157(3) of that Act; and
- (b) having consulted in accordance with section 158 of that Act.

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### **Notice**

#### **1 Title**

This notice is the Anti-Money Laundering and Countering Financing of Terrorism (Class Exemptions) Amendment Notice (No 2) 2023.

#### **2 Commencement**

This notice comes into force on 31 December 2023.

#### **3 Principal notice**

This notice amends the Anti-Money Laundering and Countering Financing of Terrorism (Class Exemptions) Notice 2018.

#### **4 Schedule amended**

- (1) In the Schedule, Part 5, replace clause 1(b) with:

- (b) in relation to customers who are LMI customers only, the requirement, in any circumstances where the reporting entity is required to conduct enhanced customer due diligence, to carry out the identification and verification requirements under sections 23 and 24(1) of the Act on any beneficial owner of the customer:
- (2) In the Schedule, Part 5, revoke clause 4(b).
  - (3) In the Schedule, Part 5, revoke clause 8.
  - (4) In the Schedule, Part 6, revoke clause 7.
  - (5) In the Schedule, after Part 17, insert the Parts 18 and 19 set out in the Schedule of this notice.

**Schedule**  
**New Parts 18 and 19 inserted into Schedule**

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**Part 18**

**Operators of money or value transfer service and agents of operator**

1 As the Minister of Justice, and under section 157 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the Act), I exempt those reporting entities who are operators of a money or value transfer service, and any agents or sub-agents of those operators, from the requirements of the Act as set out in clauses 2 to 5.

*Disclosing information relating to reports on suspicious activities or prescribed transactions*

2 The reporting entity, and any agents or sub-agents of that reporting entity, are exempt from the requirement under section 46(2) of the Act (including as applied by section 48C of the Act) not to disclose information referred to in section 46(1) of the Act (including as applied by section 48C of the Act) except to a person specified in section 46(2) of the Act if the disclosure concerned is—

- (a) to the reporting entity, any agent of that reporting entity, or any sub-agent of that reporting entity; and
- (b) to improve compliance with the requirements of the Act and regulations made under the Act.

*Reasons*

3 The exemption has been granted for the following reasons:

- (a) it will enable operators of a money or value transfer service to better comply with their reporting obligations under the Act:
- (b) it will enhance the detection and deterrence of money laundering and financing of terrorism by—
  - (i) enabling operators of money or value transfer services and their agents and sub-agents to share information about suspicious activity; and
  - (ii) improving the ability of operators of money or value transfer services that use agents and sub-agents to file suspicious activity reports under the Act; and
  - (iii) improving the quality of suspicious activity reports filed by operators of money or value transfer services that use agents and sub-agents.

*Commencement and expiry*

4 This exemption comes into force on 31 December 2023.

5 This exemption expires at the close of 31 December 2028.

**Part 19**

**Obligations of reporting entities in relation to person acting, by  
electronic means, on behalf of customer**

1 As the Minister of Justice, and under section 157 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the **Act**), I exempt all reporting entities from the requirement to conduct simplified customer due diligence under section 18(3) of the Act on a person who purports to act, by electronic means, on behalf of a customer.

2 In this exemption, **senior manager** means—

- (a) in relation to a customer that is a company, a director within the meaning of section 126 of the Companies Act 1993; and
- (b) in relation to a customer that is not a company, a person who occupies a position comparable to that of a director (for example, a trustee or partner); and
- (c) any other person who occupies a position within a customer that allows that person to exercise an influence over the management or administration of the customer (for example, a chief executive or a chief financial officer).

*Obligations of reporting entities in relation to person acting, by electronic means, on behalf of customer*

3 The reporting entity is exempt from sections 19 and 20 of the Act in relation to a person acting on behalf of the customer if all of the following apply:

- (a) the identity information of a senior manager of the customer has been obtained and verified in accordance with sections 19 and 20 of the Act;
- (b) the person acting on behalf of the customer is an employee of the customer;
- (c) the reporting entity and the customer have a written agreement setting out the required steps for employees of the customer to be delegated and authorised to act on behalf of the customer, including the method of correspondence by electronic means and the activities that the employee is authorised to carry out on behalf of the customer;
- (d) the senior manager has notified the reporting entity that the employee is authorised to act on behalf of the customer.

*Reasons*

4 The exemption has been granted for the following reasons:

- (a) this exemption reduces the regulatory burden of compliance on reporting entities in relation to some large customers that may have multiple employees acting on their behalf, subject to the conditions in clause 3:
- (b) the risk of money laundering and the financing of terrorism associated with the reporting entity is low because the exemption has only been granted in relation to employees acting on behalf of the customer by electronic means and is subject to the safeguards provided by the conditions in clause 3.

*Commencement and expiry*

5 This exemption comes into force on 31 December 2023.

6 This exemption expires at the close of 31 December 2028.

Dated at Wellington this 18th day of December 2023.

Hon Paul Goldsmith,  
Minister of Justice.

## Explanatory note

*This note is not part of the notice, but is intended to indicate its general effect.*

This notice, which comes into force on 31 December 2023, amends the Anti-Money Laundering and Countering Financing of Terrorism (Class Exemptions) Notice 2018 (the **principal notice**).

This notice—

- removes the exemption requirement in Part 5 of the Schedule of the principal notice for reporting entities whose customers are licensed managing intermediaries to undertake enhanced customer due diligence on a beneficial owner of the licensed managed intermediary;
- extends the application of Part 5 of the Schedule of the principal notice to reporting entities in respect of customers who are licensed managing intermediary customers until the close of 31 December 2024;
- extends the application of Part 6 of the Schedule of the principal notice in relation to reporting entities in respect of customers who are SMI customers until 31 December 2024;
- inserts *new Part 18* into the Schedule of the principal notice. *New Part 18* exempts the operator of a money or value transfer service and any agents or sub-agents of those operators from the requirement in section 46(2) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the **Act**)

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2) 2023**

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not to disclose information referred to in section 46(1) of the Act (including as applied by section 48C of the Act) except to a person specified in section 46(2) of the Act if the disclosure concerned is to the operator or an agent or a sub-agent of the operator and is only to improve compliance with the requirements of the Act and regulations made under the Act:

- inserts *new Part 19* into the Schedule of the principal notice. *New Part 19* exempts reporting entities from their requirement to conduct simplified customer due diligence under section 18(3) of the Act on a person who purports to act, by electronic means, on behalf of a customer, provided that certain conditions are met.

Issued under the authority of the Legislation Act 2019.

Date of notification in *Gazette*: 21 December 2023.

This notice is administered by the Ministry of Justice.