

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

In accordance with section 157 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“Act”), the Associate Minister of Justice granted the following exemption from the Act:

Ministerial Exemption: Snapper Services Limited

1. As the Associate Minister of Justice and pursuant to section 157 of the Act, I exempt Snapper Services Limited (“SSL”) from:

- a. Sections 10–71 of the Act.

In relation to public transport services paid for via recurring transactions authorised on a credit or debit card that is linked to an issued Snapper Card (the account-based function).

The exemption is subject to the following conditions:

The exemption only applies where these criteria apply:

- b. The total amount transacted through a Snapper card is less than \$10,000 in any consecutive 12-month period, including transactions made via both the stored value function and account-based function.
- c. Only accounts held at New Zealand financial institutions are used to fund an account-based function transaction.
- d. Services are provided in New Zealand.
- e. SSL complies with relevant legislation in other countries where SSL operates.
- f. On the basis of these definitions:
 - i. Account-based function means public transport services paid for by a recurring transaction authorised on a credit or debit card that is linked to an issued Snapper Card.
 - ii. Stored value function means public transport services paid for by its customers loading stored value onto a Snapper card.
 - iii. Public transport means bus services in the Greater Wellington region.
- g. SSL must inform the Ministry of Justice of any changes that may affect the exemption and/or conditions imposed by this written instrument within 10 working days from which the change affecting the exemption occurs.

The exemption with these conditions is granted because, on balance, SSL presents a low risk of money laundering or terrorism financing (“ML/TF”), for the following reasons:

- a. Traveller consumers can only use the account-based functionality on Snapper Cards to pay for public transport bus trips in the Greater Wellington region.

- b. Public transport bus trips are of low value, the average single transaction value for an account-based transaction is between \$2-\$5. The average amount spent on a Snapper Card is \$50 per month or \$600 per year.
- c. A transaction can only be created through tagging on a public transport bus, travelling on that vehicle, then tagging off the vehicle, limiting the opportunity for money-laundering or financing of terrorism.
- d. Traveller consumers are charged for the actual fare for the trip completed. They cannot overpay their account beyond the pre-pay limit at any time.
- e. Snapper accounts are reconciled on a daily basis, this helps to identify suspicious activity.
- f. It is very difficult to receive a refund. These are only provided for tightly prescribed reasons.
- g. The transactions are subject to a chargeback, processed by the relevant New Zealand bank subject to AML/CFT obligations.

The exemption comes into force on 30 June 2023.

The exemption will expire on 30 June 2028.

Any person wishing to provide comment on this notice should contact the Criminal Law Team at the Ministry of Justice by emailing exemptions@justice.govt.nz.