

## **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 gave notice on 16 July 2020 that he has granted the following exemption from the Act:

### **Ministerial exemption: Toyota New Zealand Limited (NZBN: 9429040939674)**

Exempting Toyota New Zealand Limited (TNZL) in relation to its Dealer Finance Activity from the following provisions of the Act:

- a. Sections 10–71 inclusive.

For the purpose of this exemption,

- Act means the Anti-Money Laundering and Countering Financing of Terrorism Act 2009
- ML/TF means money laundering and terrorist financing
- Dealer Finance Activity means the limited short-term credit facility TNZL provides to its Dealers, which enables the Dealers to delay payment back to TNZL

This exemption is subject to the following conditions:

- a. This exemption only applies in relation to TNZL’s Dealer Finance Activity;
- b. TNZL must maintain a close relationship with its Dealers;
- c. TNZL must not accept any cash payments from its Dealers; and
- d. TNZL must inform the Ministry of Justice of any changes that may affect the exemption within 10 working days of when the change occurs.

This exemption has been granted for the following reasons:

- a. the ML/TF risk associated with TNZL’s Dealer Finance Activity is low. This is due to fact that its sole customers in this activity are its Dealers, with which TNZL has a close business relationship. TNZL’s familiarity with its Dealers lowers its ML/TF risk. Furthermore, TNZL does not accept cash payments from its Dealers. Instead TNZL receives electronic payments via banks. This further lowers the ML/TF risk.
- b. In light of the low ML/TF risk associated with TNZL’s Dealer Finance Activity, granting this exemption would have little to no impact on the prevention, detection and prosecution of ML/TF offences;
- c. TNZL, in the absence of an exemption, would be subject to an undue regulatory burden. This is because the regulatory burden would be disproportionate to the low level of ML/T risk associated with TNZL’s Dealer Finance Activity.

This exemption comes into force on 9 June 2020.

This exemption will expire on 9 June 2025.

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](mailto:amlcft.exemptions@justice.govt.nz).