

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: JPMorgan Chase Bank, N.A (New Zealand Branch)

Exempting JPMorgan Chase Bank, N.A (New Zealand Branch) (“JPMorgan”) from:

- a. Section 56(2) of the Act.

The exemption is subject to the following conditions:

- a. The Australia-based AML/CFT compliance officer must administer and maintain the AML/CFT programmes of JPMorgan:
- b. The Australia-based AML/CFT compliance officer must report regularly and fully on all relevant AML/CFT compliance matters to JPMorgan's senior management:
- c. The JPMorgan staff must have ready access to the Australia-based AML/CFT compliance officer in order to raise and discuss AML/CFT compliance-related matters:
- d. The Australia-based AML/CFT compliance officer must maintain appropriate qualifications and knowledge, have adequate resources to perform the role, and have full access to all information relevant to the AML/CFT compliance affairs of JPMorgan; and
- e. JPMorgan 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 was granted because, on balance, the above exemption for JPMorgan with the attached conditions presents a low risk of money laundering or terrorism financing (“ML/TF”), for the following reasons:

- a. It is a very narrow and limited exemption under the Act. The exemption also does not exempt JPMorgan from having the obligation to have an AML/CFT compliance officer but allows for that compliance officer to be based in Australia. JPMorgan must comply with all substantive obligations under the Act.
- b. JPMorgan's current AML/CFT compliance officer is experienced in the role and in AML/CFT generally having performed in this role for a number of years.
- c. The majority of JPMorgan's senior management team and legal and compliance team for New Zealand and Australia are also based in their Australian offices. This means the AML/CFT compliance officer has direct access to management reporting lines and the board of JPMorgan's New Zealand and Australian business.
- d. JPMorgan is regulated both in its home jurisdiction and abroad and devotes substantial resources to ensure compliance with the Act is achieved.

e. JPMorgan has well-established AML/CFT compliance programmes.

f. The conditions to the exemption further mitigate any residual ML/TF risk.

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.