

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: Kāinga Ora

Exempting Kāinga Ora from:

- a. Sections 10–71 for its First Home grant and the Tenant Home Ownership grant; and
- b. Sections 10–38 and 48A–71 for its Housing Innovation Fund and Loan Administration Services.

The exemption is subject to the following conditions:

- a. That suspicious activity reports are provided as and when required in accordance with subpart 2 of Part 2 of the Act in relation to the drawdown of the Housing Innovation Fund loans;
- b. That suspicious activity reports are provided as and when required in accordance with subpart 2 of Part 2 of the Act in relation to the Loan Administration Services; and
- c. Kāinga Ora 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 is granted with these conditions because, on balance, Kāinga Ora presents a low risk of money laundering or terrorism financing (“ML/TF”), for the following reasons:

- a. It is established under governing legislation and must act in compliance with the Kāinga Ora – Homes and Communities Act 2019. As a Crown entity it is subject to strict oversight and accountability measures under the Crown Entities Act 2004, Official Information Act 1982, Public Audit Act 2001 and the Public Records Act 2005.
- b. Kāinga Ora does not accept repayments in cash.
- c. The Loan Administration services portfolio is in winddown, as well as the Housing Innovation Fund which is no longer issuing any new loans or grants.
- d. Applications are subject to stringent eligibility criteria and identification checks
- e. The First Home grant and Tenant Home Ownership grant are only released after a sales and purchase agreement is finalised. The grants are never paid to the individual client and can only be paid into the client's lawyer's trust account.

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.

