

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, Hon Aupito William Sio, gave notice on 23 May 2022 that he has granted the following exemptions from the Act:

Ministerial Exemption: NorthWest Healthcare Properties Management Limited

Exempting NorthWest Healthcare Properties Management Limited (“NorthWest”) from sections 10–71 (inclusive) of the Act in relation to its management of Vital Healthcare Property Trust (“Vital”).

The following conditions to the exemption are attached:

- a. NorthWest 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 when the change affecting the exemption occurs.

This exemption has been made for the following reasons:

- a. The risk of money laundering or terrorism financing (“ML/TF”) associated with NorthWest is low. Vital is a “close ended” fund with units quoted on the NZX. Being a “close ended” fund means that NorthWest does not have any direct relationship with Vital unitholders and does not handle any funds or cash on behalf of unitholders. The assets in which Vital invests are generally non-liquid, consisting of hospitals and other healthcare real estate assets.
- b. This exemption would have little to no impact on the prevention, detection, investigation and prosecution of ML/TF offences, because of the low risk of ML/TF through NorthWest.
- c. In the absence of an exemption, the costs of compliance for NorthWest would be considerable compared to the low level of money-laundering and terrorism financing risk. NorthWest has had to engage third parties for necessary AML/CFT activities when they have been required which comes at an additional cost and administrative burden.
- d. Granting this exemption is unlikely to provide a competitive advantage to NorthWest. NorthWest’s direct competitors are structured in such a way as they are not subject to AML/CFT obligations in the same way.

This exemption comes into force on **12 May 2022**.

This exemption will expire on **12 May 2027**.

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