

## **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 6 April 2020 that he has granted the following exemption from the Act:

### **Ministerial exemption: Roman Catholic Diocese of Hamilton**

Exempting the Roman Catholic Diocese of Hamilton (RCDH) in respect of its non-debt securities services provided to Related Entities (“Other Church Activities”) from the following provisions of the Act:

- a. Sections 10–71 inclusive.

In this exemption, unless the context otherwise requires:

- controls has the meaning given to it in clause 48 of Schedule 1 of the FMCA
- FMCA means the Financial Markets Conduct Act 2013
- ML/TF means money laundering and terrorist financing
- other church activities means non-debt securities services provided by RCDH to entities under the control of RCDH
- RCDH means the Roman Catholic Diocese of Hamilton

This exemption is subject to the following conditions:

- a. The exemption only applies where RCDH carries out other church activities for the purposes of providing pastoral, charitable and religious education services in the Diocese of Hamilton; and
- b. RCDH must inform the Ministry of Justice of any changes that may affect the exemption within 10 working days of when the changes occur.

This exemption has been granted for the following reasons:

- a. the risk of ML/TF associated with the other church activities is low. This is because:
  - i. other church activities would be exempt from all provisions of the Act under Regulation 16 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Regulations 2011 if the church entities were related body corporates within the meaning of section 12(2) of the FMCA; and
  - ii. this exemption will only apply to other church activities carried out by RCDH for limited purposes, i.e. pastoral, charitable and religious education services provided by RCDH to parishioners and school students. This further lessens the risk of the services being abused for ML/TF. In addition, donations and bequests made by parishioners cannot be returned to those parishioners.

- b. in light of the low ML/TF risk associated with the other church activities, granting this exemption would have little to no impact on the prevention, detection and prosecution of ML/TF offences;
- c. RCDH, 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/TF risk in relation to the other church activities; and
- d. granting this exemption is unlikely to affect third-party reporting entities. This is because the services that RCDH provides are only to entities under its control. RCDH is not in competition with other third-party commercial lenders because it does not compete for external customers. Therefore, these third-party commercial lenders would not be affected if RCDH received an exemption.

This exemption comes into force on 16 March 2020.

This exemption will expire on 28 February 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).