

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: epay New Zealand Limited

Exempting epay New Zealand Limited (“epay”) from the following provisions of the Act in respect of its bill and toll payment services:

- a. Sections 10–71 inclusive.

In this exemption, unless the context otherwise requires:

- bill and toll payment services means services facilitated through epay, where:
 - a. customers pay their energy bill or toll road payment to a participating retailer using an epay terminal;
 - b. payment is made to the participating retailer;
 - c. payment is transferred (minus fees) from the retailer to epay; and
- ML/TF means money laundering and terrorist financing.

This exemption is made subject to the following conditions:

- a. every wire transfer must relate only to the payment of either:
 - i. electricity bills directly to the bank account or facility of an “industry participant” as defined under section 7(1) of the Electricity Industry Act 2010; or
 - ii. toll road fees to a bank account or facility of New Zealand Transport Authority;
- b. every wire transfer undertaken as part of the exempted service must be domestic in nature, as defined in section 27(7) of the Act;
- c. wire transfers undertaken as part of the exempted service must not exceed \$1,000.00 in value;
- d. epay must hold and maintain evidence of the toll and bill payments conducted through epay for a period of 5 years in accordance with section 49(1) and 49(3) of the Act; and
- e. epay 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 made for the following reasons:

- a. the risk of ML/TF associated with epay’s bill and toll payment services is low because those services are narrow in scope and involve low-value, low risk transactions;

- b. granting this exemption would have little to no impact on the prevention, detection, investigation and prosecution of ML/TF offences;
- c. epay, in the absence of an exemption, would be subject to an undue regulatory compliance burden which is not proportionate to the risk posed by its product offering (i.e. bill and toll payment services); and
- d. granting this exemption is unlikely to affect third-party reporting entities since epay offers a distinct service from other payment providers. Those payment providers will not be detrimentally affected by epay being granted 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.