



Office of Hon Judith Collins

Minister of Justice

Minister Responsible for the Law Commission

Minister for ACC

Minister for Ethnic Affairs

Ministerial Exemption: Snap-on Tools (Australia) Pty. Limited and Snap-on Tools (New Zealand) Limited

1. As the Minister of Justice, pursuant to section 157 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the Act), I exempt Snap-on Tools (Australia) Pty. Limited (**Snap-on**) and Snap-on Tools (New Zealand) Limited (**Snap-on NZ**) from all of the provisions of the Act, except for subpart 2 of Part 2 (suspicious transaction reporting) and section 49(1) and (2)(a) to (f), where the transaction is relevant to the suspicious transaction report.
2. This partial exemption has been made for the following reasons:
 - (a) There is a low risk of money laundering and terrorist financing through Snap-on and Snap-on NZ as:
 - (i) The core business of Snap-on and Snap-on NZ is selling Snap-on products. Snap-on and Snap-on NZ provide credit to their franchisees and their franchisees' customers, but this is incidental to the core business, in order to facilitate the sale of Snap-on products.
 - (ii) Snap-on currently has monitoring mechanisms in place to mitigate the risk of money laundering, which are able to identify and report on large cash transactions. The partial exemption will leverage these existing mechanisms to mitigate risks.
 - (b) The obligations imposed on Snap-on and Snap-on NZ would be disproportionate given the low risk of money laundering or terrorist financing in the circumstances outlined in this exemption.
 - (c) The application of the Act to Snap-on and Snap-on NZ is a technical anomaly that results from Snap-on's and Snap-on NZ's unique corporate structure. But for this structure, the provision of credit by Snap-on and Snap-on NZ would fit squarely within an existing exemption for consumer credit under section 13 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Regulations 2011.
3. This exemption is subject to the following condition:
 - (a) If the business activities of Snap-on and Snap-on NZ change in a material way, in that it is required to carry out further activities which fall within the ambit of the AML/CFT Act, Snap-on and Snap-on NZ are required to notify

the Ministry of Justice and the Department of Internal Affairs and undertake to work with those bodies to agree how to manage any risks.

4. This exemption comes into force on the day after the date I grant this exemption.
5. This exemption will expire will expire on 30 June 2018.

Date: 18 March 2014

A handwritten signature in blue ink, appearing to read 'Judith Collins', with a stylized flourish at the end.

Hon Judith Collins
Minister of Justice