

Reprint
as at 9 July 2021



Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Regulations 2011

(SR 2011/223)

Anand Satyanand, Governor-General

Order in Council

At Wellington this 27th day of June 2011

Present:

His Excellency the Governor-General in Council

Pursuant to sections 153 and 154 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and section 56(1)(e) of the Financial Transactions Reporting Act 1996, His Excellency the Governor-General makes the following regulations acting—

- (a) on the advice and with the consent of the Executive Council; and
- (b) in relation to regulations made under section 154 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, on the recommendation of the Minister (as defined by section 5 of that Act) made in accordance with section 154(2) and (3) of that Act.

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Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.

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Regulations

1 Title

These regulations are the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Regulations 2011.

2 Commencement

These regulations come into force on 30 June 2013.

3 Expiry

[Revoked]

Regulation 3: revoked, on 19 June 2020, by regulation 4 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2020 (LI 2020/91).

4 Interpretation

In these regulations, unless the context otherwise requires,—

Act means the Anti-Money Laundering and Countering Financing of Terrorism Act 2009

financial activity means any financial activity referred to in paragraph (a)(i) to (xiii) of the definition of financial institution in section 5 of the Act

pre-transition KiwiSaver scheme means a KiwiSaver scheme that continues to be registered in the KiwiSaver schemes register under clause 18(1)(a) of Schedule 4 of the Financial Markets Conduct Act 2013

pre-transition superannuation scheme means a superannuation scheme that continues to be registered under the Superannuation Schemes Act 1989 under clause 18(1)(b) of Schedule 4 of the Financial Markets Conduct Act 2013

relevant service means,—

- (a) in relation to a financial institution, services provided by the financial institution in the course of carrying out a financial activity; and
- (b) in relation to a reporting entity that is not a financial institution, services provided by the reporting entity in the course of carrying out an activity (including, to avoid doubt, a financial activity) that attracts any obligations under the Act or any regulations made under the Act

superannuation scheme—

- (a) has the same meaning as in section 6(1) of the Financial Markets Conduct Act 2013; and
- (b) includes a pre-transition KiwiSaver scheme and a pre-transition superannuation scheme.

Regulation 4 **pre-transition KiwiSaver scheme**: inserted, on 1 December 2014, by regulation 4 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323).

Regulation 4 **pre-transition superannuation scheme**: inserted, on 1 December 2014, by regulation 4 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323).

Regulation 4 **superannuation scheme**: inserted, on 1 December 2014, by regulation 4 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323).

Classes of transactions

[Revoked]

Heading: revoked, on 30 June 2013, by regulation 4 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

5 Wire transfers of \$1,000 or less exempt from sections 27 and 28 of Act

[Revoked]

Regulation 5: revoked, on 30 June 2013, by regulation 4 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

6 Occasional transactions exempt from certain requirements relating to address information

An occasional transaction is exempt from sections 16 and 24 of the Act so far as those provisions relate to the collection of information, under section 15(d) of the Act, about a person's address or registered office.

6A Certain entities exempt from reporting under section 48A of Act

A reporting entity that is an intermediary institution is exempt from making a prescribed transaction report under section 48A of the Act in respect of any wire transfer.

Regulation 6A: inserted, on 1 November 2017, by regulation 5 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2016 (LI 2016/259).

Regulation 6A: amended, on 18 January 2018, by regulation 5 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303).

6AB Exemption of TAB NZ from some duties under section 31 of Act

TAB NZ, in carrying out its duties under section 31 of the Act, is not required to link a cash transaction between a person and TAB NZ involving less than \$10,000.

Regulation 6AB: replaced, on 1 August 2020, by section 129 of the Racing Industry Act 2020 (2020 No 28).

7 Certain transactions in casinos exempt from section 49 of Act

- (1) This regulation applies to 1 or more of the following transactions that take place at the cashier of a casino or at a gaming table in a casino:
 - (a) the purchase of chips or tokens below \$6,000:
 - (b) the redemption of chips or tokens below \$6,000:
 - (c) the exchange of coins below \$6,000 into different denominations of the same currency:
 - (d) the exchange of notes below \$6,000 into different denominations of the same currency.
- (2) A transaction to which this regulation applies is exempt from section 49(2) of the Act.
- (3) *[Revoked]*

Regulation 7 heading: amended, on 30 June 2013, by regulation 5(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 7(1): replaced, on 30 June 2013, by regulation 5(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 7(3): revoked, on 9 July 2021, by regulation 4 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

7A Certain transactions with TAB NZ exempt from section 49(2) of Act

- (1) This regulation applies to 1 or more of the following transactions that take place between a person and TAB NZ:
 - (a) the purchase of vouchers below \$10,000:
 - (b) the redemption of vouchers below \$10,000:
 - (c) the exchange of coins below \$10,000 into different denominations of the same currency:
 - (d) the exchange of notes below \$10,000 into different denominations of the same currency.
- (2) A transaction to which this regulation applies is exempt from section 49(2) of the Act.

(3) *[Revoked]*

(4) In this regulation, **voucher** has the same meaning as in regulation 15(3).

Regulation 7A: inserted, on 1 August 2019, by regulation 5 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2018 (LI 2018/200).

Regulation 7A heading: amended, on 1 August 2020, by section 129 of the Racing Industry Act 2020 (2020 No 28).

Regulation 7A(1): amended, on 1 August 2020, by section 129 of the Racing Industry Act 2020 (2020 No 28).

Regulation 7A(3): revoked, on 9 July 2021, by regulation 5 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

8 Transactions that are not occasional transactions exempt from section 49(2)(d) of Act

(1) This regulation applies to a transaction that occurs outside of a business relationship but is not an occasional transaction.

(2) A transaction to which this regulation applies is exempt from section 49(2)(d) of the Act.

(3) *[Revoked]*

Regulation 8 heading: amended, on 9 July 2021, by regulation 6(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 8(1): replaced, on 9 July 2021, by regulation 6(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 8(3): revoked, on 9 July 2021, by regulation 6(3) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

9 Certain currency exchange transactions in hotels, etc

(1) This regulation applies to a currency exchange transaction that—

(a) does not exceed \$1,000; and

(b) is undertaken by a provider of hotel accommodation or any other accommodation.

(2) A transaction to which this regulation applies is exempt from the provisions of the Act except—

(a) subpart 2 of Part 2; and

(b) where the transaction is relevant to a suspicious activity report, section 49(1) and (2)(a) to (f); and

(c) sections 92 to 100.

Regulation 9(2)(b): amended, on 1 July 2018, by regulation 6 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303).

Classes of services

10 Relevant services provided in respect of certain remittance card facilities

- (1) This regulation applies to a relevant service provided in respect of a remittance card facility in respect of which all of the following apply:
- (a) the identity of the principal facility holder of the remittance card facility is verified in accordance with the Act;
 - (b) the remittance card facility is one on which transactions may not be made by means of a cheque;
 - (c) the remittance card facility cannot operate with a debit balance;
 - (d) a financial institution may only have 2 cards on issue at any one time in respect of a remittance card facility, one of which is held by the principal facility holder and the other is held by 1 other person (the **second cardholder**):
 - (e) in any consecutive 12-month period, the aggregated value of the transactions involving payments from the remittance card facility does not exceed \$9,999.99;
 - (f) the maximum balance of the remittance card facility does not exceed \$9,999.99;
 - (g) the remittance card facility's terms and conditions must include the conditions set out in paragraphs (e) and (f);
 - (h) the principal facility holder acknowledges in writing that—
 - (i) the principal purpose of the remittance card facility is the withdrawal of cash from an automatic teller machine outside New Zealand or the transfer of value or withdrawal of cash at a point of sale outside New Zealand; and
 - (ii) at the time the remittance card facility is established, the second cardholder is not resident in New Zealand:
 - (i) the principal facility holder does not hold more than 1 remittance card facility with any 1 financial institution in any period of 12 consecutive months;
 - (j) the financial institution, in accordance with the Act, keeps all records that are reasonably necessary to—
 - (i) identify the name and address of the second cardholder; and
 - (ii) establish that the second cardholder is not resident in New Zealand:
 - (k) payments into the remittance card facility can only be made in New Zealand;
 - (l) the financial institution offering the remittance card facility conducts, in respect of the remittance card facility, ongoing customer due diligence

and monitoring of transactions in accordance with subpart 1 of Part 2 of the Act.

- (2) A relevant service to which this regulation applies is exempt from the provisions of the Act except—
- (a) subpart 2 of Part 2 ; and
 - (b) where the transaction is relevant to a suspicious activity report, section 49(1) and (2)(a) to (f); and
 - (c) sections 92 to 100.

- (3) For the purposes of this regulation,—

principal facility holder, in relation to a facility, means the facility holder or facility holders whom that financial institution reasonably regards, for the time being, as principally responsible for the administration of that facility

remittance card facility means a facility that—

- (a) has as its principal purpose the withdrawal of cash from an automatic teller machine outside New Zealand or the transfer of value or withdrawal of cash at a point of sale outside New Zealand; and
- (b) is accessed by means of a portable device in the form of a card that can operate on an international automatic teller machine and electronic funds transfer at point of sale network.

Regulation 10(2)(b): amended, on 1 July 2018, by regulation 7 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303).

11 Relevant services provided in respect of life insurance policies that are closed to new customers and new premiums

- (1) This regulation applies to a relevant service provided in respect of a life insurance policy that is closed to new premiums (excluding premiums that have been contractually agreed) and is part of a class or type of life insurance policy that is closed to new customers.
- (2) A relevant service to which this regulation applies is exempt from all of the provisions of the Act.
- (3) For the purposes of this regulation, **premiums that have been contractually agreed**—
- (a) means those premiums that are contractually agreed to be paid periodically over the life of the contract; and
 - (b) includes catch-up payments when premiums have been in arrears; but
 - (c) excludes premiums paid more than 1 year in advance or additional lump-sum payments.

Regulation 11 heading: amended, on 9 July 2021, by regulation 7(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 11(1): amended, on 9 July 2021, by regulation 7(2)(a) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 11(1): amended, on 9 July 2021, by regulation 7(2)(b) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

12 Relevant services provided in respect of pure risk-based insurance policies

- (1) This regulation applies to a relevant service provided in respect of a pure risk-based insurance policy.
- (2) A relevant service to which this regulation applies is exempt from all of the provisions of the Act.
- (3) For the purposes of this regulation, **pure risk-based insurance policy** means a contract of insurance—
 - (a) for the payment of money on the happening of a contingency, other than a contingency dependent on the continuance of human life; and
 - (b) that does not and never will have a value on its cancellation or surrender that is greater than the value of an unexpired premium relating to a period after the date of cancellation or surrender.

13 Relevant services provided by non-finance business in respect of certain types of credit

- (1) This regulation applies to a relevant service provided in respect of the provision of credit in the ordinary course of a non-finance business by one person (**person A**) to another person (**person B**) if—
 - (a) the provision of credit to person B—
 - (i) is not provided under a credit contract; or
 - (ii) is provided under a credit contract that is incidental to the supply of goods or services, or both, by person A to person B; or
 - (b) the credit contract to which the provision of credit relates is assigned by person A in the ordinary course of the non-finance business within 1 working day of providing the credit to person B under the credit contract.
- (2) A relevant service to which this regulation applies is exempt from all of the provisions of the Act.
- (3) For the purposes of this regulation,—

credit contract has the same meaning as in section 4 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008

non-finance business means a person whose only or principal business is the provision of goods or services that are not relevant services.

Regulation 13 heading: amended, on 30 June 2013, by regulation 6(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 13(1): replaced, on 30 June 2013, by regulation 6(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

14 Relevant services provided in respect of certain loyalty schemes

- (1) This regulation applies to a relevant service provided in respect of a loyalty scheme.
- (2) A relevant service to which this regulation applies is exempt from all of the provisions of the Act.
- (3) For the purposes of this regulation,—

loyalty scheme means a facility by which a person may make non-cash payments and to which all of the following apply:

- (a) the facility is issued under a scheme whose only or principal purpose is to promote the acquisition of goods or services from 1 or more non-finance businesses; and
- (b) a member of the scheme is allocated credits under the facility (however described and whether or not a monetary value is expressly attributed to those credits) as a result of the acquisition of goods or services from the non-finance business or businesses (the **stored value**); and
- (c) the stored value—
 - (i) can be used to make a non-cash payment for goods or services, or to obtain some other benefit, only from 1 or more non-finance businesses; but
 - (ii) cannot be withdrawn in cash

make non-cash payments means to make payments, or cause payments to be made, other than by the physical delivery of cash

non-finance business has the meaning set out in regulation 13(3)

provide includes to offer to provide.

- (4) In this regulation, **acquisition**,—
 - (a) in relation to goods, means acquiring goods by way of gift, sale, exchange, lease, hire, or hire purchase; and
 - (b) in relation to services, includes accepting a service.

Regulation 14(3) **loyalty scheme** paragraph (a): amended, on 30 June 2013, by regulation 7(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 14(3) **loyalty scheme** paragraph (b): amended, on 30 June 2013, by regulation 7(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 14(4): inserted, on 30 June 2013, by regulation 7(3) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

15 Relevant services provided in respect of certain stored value instruments

- (1) This regulation applies to a relevant service (whether it is carried out in a single operation or several operations that appear to be linked) provided in respect of a stored value instrument that—

- (a) has a maximum possible value at any one time of less than,—
 - (i) if the stored value instrument is redeemable for cash, \$1,000;
 - (ii) if the stored value instrument is not redeemable for cash, \$5,000;
 - (iii) if the stored value instrument is a voucher issued by TAB NZ, \$10,000; and
 - (b) is not capable of being reloaded with \$10,000 or more in any consecutive 12-month period; and
 - (c) is not capable of being reloaded directly through transfer from an account held at a financial institution that is—
 - (i) unregulated for AML/CFT purposes; or
 - (ii) located in a country with insufficient money laundering and countering financing of terrorism systems and measures.
- (1A) Where the relevant service under subclause (1) involves several operations that appear to be linked, the maximum possible value thresholds in subclause (1)(a) and (b) apply to the combined total maximum value of all of the stored value instruments issued that are of the same kind (for example, all of the instruments are redeemable for cash or all of the instruments are not redeemable for cash).
- (2) A relevant service to which this regulation applies is exempt from all of the provisions of the Act.
- (3) For the purposes of this regulation,—
- debit card** means an instrument that can be used to withdraw cash or make payments by debiting an account held at a financial institution that is not a non-finance business
- gift facility** has the same meaning as in regulation 9(2) of the Financial Service Providers (Exemptions) Regulations 2010
- non-finance business** has the meaning set out in regulation 13(3)
- stored value instrument**—
- (a) means a portable device, including a gift facility or voucher, that is capable of storing monetary value in a form that is not physical currency, regardless of whether the device is reloadable or able to be redeemed for cash; and
 - (b) includes—
 - (i) a portable device whose value, or associated value, is transferable to a third party or able to be remitted; and
 - (ii) any account or other arrangement associated with the value stored on the device; but
 - (c) does not include a credit card or a debit card

voucher includes any document or other instrument issued by TAB NZ to a person that has a monetary value and can be used to facilitate or carry out a transaction (for example to place a bet) irrespective of whether—

- (a) it can be redeemed for cash:
- (b) it can be split or consolidated for use in 2 or more transactions.

Regulation 15: replaced, on 30 June 2013, by regulation 8 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 15(1): amended, on 9 July 2021, by regulation 8(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 15(1)(a)(iii): inserted, on 1 August 2019, by regulation 6(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2018 (LI 2018/200).

Regulation 15(1)(a)(iii): amended, on 1 August 2020, by section 129 of the Racing Industry Act 2020 (2020 No 28).

Regulation 15(1A): inserted, on 9 July 2021, by regulation 8(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 15(3) **debit card**: amended, on 9 July 2021, by regulation 8(3) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 15(3) **non-finance business**: inserted, on 9 July 2021, by regulation 8(4) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 15(3) **stored value instrument** paragraph (a): amended, on 1 August 2019, by regulation 6(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2018 (LI 2018/200).

Regulation 15(3) **voucher**: inserted, on 1 August 2019, by regulation 6(3) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2018 (LI 2018/200).

Regulation 15(3) **voucher**: amended, on 1 August 2020, by section 129 of the Racing Industry Act 2020 (2020 No 28).

16 Relevant services provided to related entities

- (1) This regulation applies to a relevant service that is provided by a reporting entity to a person, where the reporting entity and the recipient of the service are related.
- (2) A relevant service to which this regulation applies is exempt from all of the provisions of the Act.
- (3) For the purposes of this regulation, a reporting entity (**A**) and a person who is the recipient of a service (**B**) are **related** if—
 - (a) B is A's holding company or subsidiary within the meaning of section 5 of the Companies Act 1993; or
 - (b) more than half of A's voting products (other than voting products that carry no right to participate beyond a specified amount in a distribution of either profits or capital) are held by B and bodies corporate that are

- related to B (whether directly or indirectly, but other than in a fiduciary capacity), or vice versa; or
- (c) more than half of the voting products (other than voting products that carry no right to participate beyond a specified amount in a distribution of either profits or capital) of each of A and B are held by members of the other (whether directly or indirectly, but other than in a fiduciary capacity); or
 - (d) the businesses of A and B have been so carried on that the separate business of each body corporate, or a substantial part of that business, is not readily identifiable; or
 - (e) there is another body corporate to which A and B are both related; or
 - (f) A controls B, or vice versa; or
 - (g) A and B are both controlled by a third person; or
 - (h) A and B are a partnership.
- (4) For the purposes of this regulation, **voting product** has the meaning given in to it by section 6(1) of the Financial Markets Conduct Act 2013.
- (5) For the purposes of this regulation, one person **controls** another person if the first person has the capacity to determine the outcome of decisions about the second person's financial and operating policies.

Regulation 16(1): amended, on 9 July 2021, by regulation 9(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 16(3): inserted, on 9 July 2021, by regulation 9(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 16(4): inserted, on 9 July 2021, by regulation 9(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Regulation 16(5): inserted, on 9 July 2021, by regulation 9(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

17 Relevant services provided under premium funding agreement

- (1) Subclause (3)(a) applies to a relevant service provided under a premium funding agreement that is—
- (a) provided by an insurance company; and
 - (b) associated with an insurance policy that is issued by that insurance company.
- (2) Subclause (3)(b) applies to a relevant service provided under a premium funding agreement that is not provided by an insurance company.
- (3) A relevant service referred to in—
- (a) subclause (1) is exempt from all of the provisions of the Act;
 - (b) subclause (2) is exempt from sections 14 to 26 of the Act.
- (4) For the purposes of this regulation, **premium funding agreement** means an agreement under which—

- (a) a person agrees to make a loan to the customer to be applied—
 - (i) against an amount payable for premiums under a policy of insurance that is not subject to AML/CFT requirements; or
 - (ii) against an amount payable in connection with such a policy (including, but not limited to, fees for advice or services provided in connection with such a policy and taxes payable in connection with such a policy); and
- (b) if the loan is not provided by the insurer, the person obtains from the customer, as security for payment of the loan, 1 or more of the following:
 - (i) an assignment of the customer's interest in the policy;
 - (ii) an assignment of all amounts payable under the policy;
 - (iii) a power of attorney that provides the attorney with the right to cancel the policy.

Regulation 17: replaced, on 9 July 2021, by regulation 10 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

18 Relevant services provided under premium funding agreement by non-insurance company

[Revoked]

Regulation 18: revoked, on 9 July 2021, by regulation 10 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

19 Relevant services provided in respect of certain low-value life insurance policies

- (1) Subclause (2) applies to a relevant service provided in respect of promoting, facilitating, or effecting a low-value life insurance policy.
- (2) A relevant service to which this subclause applies is exempt from sections 16(2) and (3) and 24(2) and (3) of the Act.
- (3) For the purposes of section 14(1)(d) of the Act and in relation to low-value life insurance policies, the following circumstances are specified as circumstances in which standard customer due diligence must be conducted:
 - (a) the first or only payment under a low-value life insurance policy has become payable to a customer; and
 - (b) by reason of the exemption granted by subclause (2), none of the actions described in sections 16(2) and (3) and 24(2) and (3) of the Act has been taken in respect of the customer.
- (4) For the purposes of this regulation, **low-value life insurance policy** means a life insurance policy that meets 1 or both of the following criteria:
 - (a) a regular premium policy with premiums not more than \$1,500 per annum:

(b) a single premium policy where the premium is not more than \$3,000.

Regulation 19(3): amended, on 18 January 2018, by regulation 8 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303).

Regulation 19(4): replaced, on 9 July 2021, by regulation 11 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

20 Relevant services provided in respect of certain superannuation schemes

- (1) Subclause (2) applies to a relevant service provided in respect of promoting, facilitating, or effecting the membership of a person in a superannuation scheme, KiwiSaver scheme, or workplace savings scheme if the person's membership is facilitated, or to be facilitated, through his or her employer.
- (2) A relevant service to which this subclause applies is exempt from sections 16(2) and (3) and 24(2) and (3) of the Act.
- (3) For the purposes of section 14(1)(d) of the Act and in relation to eligible superannuation schemes, KiwiSaver schemes, and workplace savings schemes, the following circumstances are specified as circumstances in which standard customer due diligence must be conducted:
 - (a) the first payment under an eligible superannuation scheme, KiwiSaver scheme, or workplace savings scheme has become payable to a customer; and
 - (b) by reason of the exemption granted by subclause (2), none of the actions described in sections 16(2) and (3) and 24(2) and (3) of the Act has been taken in respect of the customer.

(4) [Revoked]

Regulation 20(1): amended, on 1 December 2014, by regulation 5(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323).

Regulation 20(3): amended, on 18 January 2018, by regulation 9 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303).

Regulation 20(3): amended, on 1 December 2014, by regulation 5(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323).

Regulation 20(3)(a): amended, on 1 December 2014, by regulation 5(3) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323).

Regulation 20(4): revoked, on 1 December 2014, by regulation 5(4) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323).

20A Relevant services provided in respect of certain employer superannuation schemes

- (1) A relevant service provided in respect of promoting or operating a limited employer superannuation scheme or a specified restricted scheme is exempt from all of the provisions of the Act.

- (2) In this regulation,—

associated person has the same meaning as in section 12(1) of the Financial Markets Conduct Act 2013

complying superannuation fund and **Crown contribution** have the same meanings as in section 4(1) of the KiwiSaver Act 2006

employer superannuation scheme means a superannuation scheme, Kiwi-Saver scheme, or workplace savings scheme that—

- (a) is promoted by 1 employer and admission to the membership of which is conditional on either or both of the following:
 - (i) being an employee of that employer or an employee of an associated person of that employer:
 - (ii) being a relative, spouse, civil union partner, de facto partner, or dependant of a person who is an employee of that employer or an employee of an associated person of that employer; or
- (b) is closed to new members and that was promoted only by—
 - (i) 1 employer; or
 - (ii) 1 employer and 1 or more associated persons of that employer

limited employer superannuation scheme means an employer superannuation scheme under which—

- (a) the nature of the contributions to the scheme and the quantum of those contributions, or the manner of calculating that quantum, are provided for in the trust deed that governs the scheme:
- (b) the only kinds of contributions that may be made to the scheme are—
 - (i) contributions made by members and employers:
 - (ii) transfers from other superannuation schemes:
 - (iii) in the case of a complying superannuation scheme, Crown contributions:
- (c) the contributions payable by each member who is an employee and the contributions payable by the employer for that member are both determined by a percentage of that member's salary or wages, except where the scheme operates on the principle of unallocated funding:
- (d) the employer deducts the contributions payable by members who are employees from their salaries or wages and, when the employer's own contributions become payable, pays those members' contributions with the employer's contributions into the scheme's bank account or to the scheme's administrator

specified restricted scheme means a KiwiSaver scheme that is specified in section 61 of the KiwiSaver Amendment Act 2011.

Regulation 20A: inserted, on 30 June 2013, by regulation 10 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 20A(2) **associated person**: amended, on 1 December 2014, by regulation 6(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323).

Regulation 20A(2) **employer superannuation scheme**: amended, on 1 December 2014, by regulation 6(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323).

21 Securities registry services

- (1) This regulation applies to securities registry services.
- (2) Securities registry services are exempt from the provisions of the Act except—
 - (a) subpart 2 of Part 2; and
 - (b) where the transaction is relevant to a suspicious activity report, section 49(1) and (2)(a) to (f); and
 - (c) sections 92 to 100.
- (3) For the purposes of this regulation, **securities registry services** means the provision of registry and management services to an issuer or collective investment scheme, including the maintenance of a securities register, the recording of securities transfers, and administrative services in relation to corporate actions or general funds management.

Regulation 21(2)(b): amended, on 1 July 2018, by regulation 10 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303).

22 Debt collection services

- (1) Debt collection services are exempt from the provisions of the Act other than—
 - (a) subpart 2 of Part 2; and
 - (b) where the transaction is relevant to a suspicious activity report, section 49(1) and (2)(a) to (f); and
 - (c) sections 92 to 100.
- (2) For the purposes of this regulation, **debt collection services** means the collection of debt by a person other than the creditor to whom it is owed or, where it has been assigned, to whom it was originally owed.

Regulation 22(1)(b): amended, on 1 July 2018, by regulation 11 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303).

23 Relevant services provided in respect of overseas pension bank accounts

A relevant service provided in respect of a special bank account within the meaning of the Social Security (Alternative Arrangement for Overseas Pensions) Regulations 1996 is exempt from sections 14 to 26 of the Act.

Regulation 23: replaced, on 30 June 2013, by regulation 11 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

24 Relevant services provided in respect of trust accounts or client funds accounts

- (1) This regulation applies to the provision by a reporting entity (**A**) of an account that is used as a trust account or client funds account in respect of which all of the following apply:

- (a) the account is held by a customer (**B**) who is another reporting entity or a person subject to the Financial Transactions Reporting Act 1996:
 - (b) A has taken reasonable steps to satisfy itself that the account is being operated for legitimate and professional purposes and not to obscure the beneficial ownership of the account:
 - (c) A has a written agreement with B that B will, on request, produce to A the information relating to the names and dates of birth of the clients whose funds are held in the trust account or client funds account (the **clients**) and the means of verifying that information.
- (2) A is, in relation to those clients, exempt from sections 11(1)(b) and 16(1)(b) of the Act.
 - (3) For the purposes of this regulation, **trust account or client funds account** means an account or other arrangement for the purpose of holding funds that belong to more than 1 client of a reporting entity or person subject to the Financial Transactions Reporting Act 1996.

Regulation 24 heading: amended, on 30 June 2013, by regulation 12(1) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 24(1): amended, on 30 June 2013, by regulation 12(2) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 24(1)(c): amended, on 30 June 2013, by regulation 12(3) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

Regulation 24(3): amended, on 30 June 2013, by regulation 12(4) of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231).

24AA Relevant services provided by court-appointed liquidator

- (1) This regulation applies to a relevant service provided by a liquidator in respect of the liquidation of a company where the liquidator of the company is appointed by the court under section 241(2)(c) of the Companies Act 1993.
- (2) A relevant service to which this regulation applies is exempt from the following sections of the Act:
 - (a) sections 14 to 17:
 - (b) sections 22(1)(a) to (c) and (2) to (6) and 22A:
 - (c) sections 27 and 28:
 - (d) section 31:
 - (e) section 37.
- (3) However, the reporting entity must comply with the following provisions of the Act in relation to the relevant services specified:
 - (a) if the relevant service to which this regulation applies relates to the provision of an international wire transfer by the liquidator, sections 22(3), 27, and 28:

- (b) if the relevant service to which this regulation applies relates to the disbursement of funds to the beneficial owner of the customer, section 16(1)(b) (*see* regulation 5B(2)(a) of the Anti-Money Laundering and Countering Financing of Terrorism (Definitions) Regulations 2011 in relation to the meaning of **customer**).

Regulation 24AA: inserted, on 9 July 2021, by regulation 12 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

24AB Relevant services provided in respect of certain third party transactions

- (1) This regulation applies to a relevant service provided by a designated non-financial business or profession in respect of payment of money received from a customer to enable the designated non-financial business or profession to make payments to one of the following:
 - (a) a government department named in Part 1 of Schedule 2 of the Public Service Act 2020;
 - (b) a local authority, as defined in section 5(1) of the Local Government Act 2002;
 - (c) the New Zealand Police;
 - (d) a barrister, as defined in section 6 of the Lawyers and Conveyancers Act 2006;
 - (e) any other person who carries out business within New Zealand that relates solely to business carried out within New Zealand if—
 - (i) the payment is wholly ancillary to the provision of a service that is not a relevant service by the designated non-financial business or profession; or
 - (ii) the total value of the transaction or series of related transactions is below \$1,000.
- (2) A relevant service to which this regulation applies is exempt from all provisions of the Act.

Regulation 24AB: inserted, on 9 July 2021, by regulation 12 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

24AC Relevant services provided to subject of Commissioner of Police's order and production order

- (1) This regulation applies to a relevant service provided by a reporting entity to a person, where the person is the subject of a Commissioner's order or a production order.
- (2) A relevant service to which this regulation applies is exempt from sections 22 to 26, 31, and 37 of the Act—
 - (a) for 30 days from the date on which the reporting entity was notified of the Commissioner's order or production order; and

- (b) if a qualified Police employee issues a notice under subclause (3), for the duration of the additional period specified in the notice.
- (3) A qualified Police employee may issue 1 or more notices directing that the period of exemption for the relevant service is extended for an additional period of 6 months or less if,—
 - (a) in respect of the person, the Commissioner is continuing to carry out financial intelligence functions in accordance with section 142 of the Act or the New Zealand Police or another law enforcement agency is carrying out an investigation; and
 - (b) the qualified Police employee is satisfied that removing the exemption is likely to compromise the carrying out of the functions or the investigation.
- (4) For the purposes of this regulation,—
 - Commissioner's order** means an order of the Commissioner of Police under section 143 of the Act
 - production order** means a production order made under section 74 of the Search and Surveillance Act 2012
 - qualified Police employee** means—
 - (a) a constable who is of or above the level of position of sergeant; or
 - (b) an equally senior or more senior Police employee.

Regulation 24AC: inserted, on 9 July 2021, by regulation 12 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

24AD Relevant services provided by reporting entity acting as executor or administrator

- (1) This regulation applies to a relevant service provided by a reporting entity that is an executor or administrator of an estate in the course of carrying out the role of executor or administrator.
- (2) A relevant service to which this regulation applies is exempt from the provisions of the Act except—
 - (a) subpart 2 of Part 2; and
 - (b) section 49A; and
 - (c) sections 51 to 55.

Regulation 24AD: inserted, on 9 July 2021, by regulation 12 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

24AE Relevant services provided to executor or administrator

- (1) This regulation applies to a relevant service provided by a reporting entity to an executor or administrator of an estate.
- (2) A relevant service to which this regulation applies is exempt from the following sections of the Act:

- (a) if the executor or administrator is another reporting entity, subpart 1 of Part 2:
 - (b) if the executor or administrator is not a reporting entity, sections 24(1)(b) and 37.
- (3) See regulation 5B(2)(b) of the Anti-Money Laundering and Countering Financing of Terrorism (Definitions) Regulations 2011 in relation to the meaning of customer in the context of this regulation.

Regulation 24AE: inserted, on 9 July 2021, by regulation 12 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146).

Classes of activities not occasional activities

Heading: inserted, on 18 January 2018, by regulation 12 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303).

24A Certain activities not occasional activities

- (1) A financial activity described in subclause (2) that is carried out by a person in the ordinary course of business is not an occasional activity for the purposes of the Act.
- (2) The financial activities referred to in subclause (1) are—
 - (a) accepting deposits or other repayable funds from the public:
 - (b) lending to or for a customer, including consumer credit, mortgage credit, factoring (with or without recourse), and financing of commercial transactions (including forfeiting):
 - (c) financial leasing (excluding financial leasing arrangements in relation to consumer products):
 - (d) transferring money or value for, or on behalf of, a customer:
 - (e) issuing or managing the means of payment (for example, credit or debit cards, cheques, travellers cheques, money orders, bank drafts, or electronic money):
 - (f) undertaking financial guarantees and commitments:
 - (g) trading for, or on behalf of, a customer in any of the following by using the person's account or the customer's account:
 - (i) money market instruments (for example, cheques, bills, certificates of deposit, or derivatives):
 - (ii) foreign exchange:
 - (iii) exchange, interest rate, or index instruments:
 - (iv) transferable securities:
 - (v) commodity futures trading:
 - (h) participating in securities issues and the provision of financial services related to those issues:

- (i) managing individual or collective portfolios:
 - (j) safe keeping or administering of cash or liquid securities on behalf of other persons:
 - (k) investing, administering, or managing funds or money on behalf of other persons:
 - (l) issuing, or undertaking liability under, life insurance policies as an insurer:
 - (m) money or currency changing.
- (3) Anything done by a casino or TAB NZ is not an occasional activity for the purposes of the Act.

Regulation 24A: inserted, on 18 January 2018, by regulation 12 of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303).

Regulation 24A(3): amended, on 1 August 2020, by section 129 of the Racing Industry Act 2020 (2020 No 28).

Revocations

25 Consequential revocations

The following regulations are revoked:

- (a) the Financial Transactions Reporting (Interpretation) Regulations (No 2) 1997 (SR 1997/366):
- (b) the Financial Transactions Reporting (Interpretation) Regulations 2008 (SR 2008/309).

Rebecca Kitteridge,
Clerk of the Executive Council.

Reprints notes

1 *General*

This is a reprint of the Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Regulations 2011 that incorporates all the amendments to those regulations as at the date of the last amendment to them.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2021 (LI 2021/146)

Racing Industry Act 2020 (2020 No 28): section 129

Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2020 (LI 2020/91)

Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2018 (LI 2018/200) (as amended by Racing Reform Act 2019 (2019 No 32))

Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2017 (LI 2017/303)

Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2016 (LI 2016/259)

Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2014 (LI 2014/323)

Anti-Money Laundering and Countering Financing of Terrorism (Exemptions) Amendment Regulations 2013 (SR 2013/231)