



Office of Hon Simon Bridges

MP for Tauranga

Minister of Energy and Resources

Minister of Transport

Deputy Leader of the House

Associate Minister for Climate Change
Issues

Associate Minister of Justice

12 MAY 2016

Gareth Foster
Managing Director
Private Box Limited

gareth@privatebox.co.nz

Dear Mr Foster

Decision to decline a Ministerial exemption application under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009

Thank you for the Ministerial exemption application under the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act 2009 on behalf of Private Box Limited (PBL).

Your application to the Ministry of Justice requested that PBL be exempt from the provisions relating to customer due diligence (CDD) in the AML/CFT Act (Part 2, Subpart 1). The exemption was requested only in relation to customers using a mailing address provided by PBL.

Decision on exemption application

Your application was assessed against the statutory criteria in section 157 of the AML/CFT Act. The criteria included the relevant money laundering and/or terrorist financing risks associated with a product, service or business, the compliance burden in the absence of an exemption, and the potential impact on prevention, detection, investigation and prosecution of money laundering and other offences.

I have decided to decline your application due to the money laundering and terrorist financing risk associated with PBL. Applying consistent CDD measures to all mailing address customers as required by the AML/CFT Act would mitigate this risk. I consider that the use of risk indicators does not constitute a thorough assessment of the risk associated with a customer, and that the level of regulatory burden of applying consistent CDD measures is proportionate to the risk associated with PBL.

My decision is consistent with the recommendation of the National Coordination Committee made up of the Ministry of Justice, Department of Internal Affairs, New Zealand Police, Financial Markets Authority, Reserve Bank of New Zealand, and the New Zealand Customs Service.

I appreciate that this decision has come after the AML/CFT Act came into force on 30 June 2013. Accordingly, I suggest that PBL engage in discussions with the relevant

statutory supervisor, the Department of Internal Affairs, to ascertain what will be expected under the AML/CFT Act.

If you require further information or have any questions regarding the outcome of your application, please contact Henna Martikainen, Policy Advisor in the Policy Group at the Ministry of Justice. Henna's contact details are provided below:

Henna Martikainen, Policy Advisor
Telephone: 04 494 9855
Email: henna.martikainen@justice.govt.nz

Yours sincerely

A handwritten signature in blue ink, appearing to read 'S Bridges', with a long horizontal flourish extending to the right.

Hon Simon Bridges
Associate Minister of Justice