Anti-Money Laundering and Countering Financing of Terrorism (Supervisor, Levy, and Other Matters) Amendment Bill

Government Bill

As reported from the Economic Development, Science and Innovation Committee

Commentary

Recommendation

The Economic Development, Science and Innovation Committee has examined the Anti-Money Laundering and Countering Financing of Terrorism (Supervisor, Levy, and Other Matters) Amendment Bill and recommends that it be passed. We recommend all amendments unanimously.

About the bill as introduced

The bill aims to improve the efficiency and effectiveness of New Zealand's regulatory system for anti-money-laundering and countering the financing of terrorism (AML/CFT), and to reduce compliance costs. It seeks to simplify how the system is supervised and to allow a more flexible, agile, and risk-based approach to supervision through changes to AML/CFT secondary legislation. The bill responds to international standards for AML/CFT and recommendations made in a statutory review of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the Act).[1]

The bill would primarily amend the Act. It would also make consequential amendments to the Financial Markets Authority Act 2011 and the Reserve Bank of New Zealand Act 2021.

1 Ministry of Justice 2022, Report on the review of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

The principal changes made by the bill would:

- reduce the number of supervisors in the AML/CFT system from three to one[2]
- strengthen the supervisory powers of the single supervisor to compel interviews, set timeframes for the provision of documents and information, and conduct on-site inspections
- extend the regulatory powers of the Secretary of Justice, the Commissioner of Police, and the chief executive of the proposed supervisor to make secondary legislation for the system
- introduce an industry levy to partly fund a strategy and regulatory work programme for the AML/CFT system.

Legislative scrutiny

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We have no issues regarding the legislation's design to bring to the attention of the House.

Proposed amendments

This commentary covers the main amendments we recommend to the bill as introduced. We do not discuss minor or technical amendments.

Commencement

Clause 2 provides that the bill would come into force on the 28th day after it receives Royal assent. We recommend amending this to establish a specific commencement date of 1 July 2026. This would align the bill's commencement with the Government's timeline for transition to a single supervisor of the AML/CFT system on 1 July 2026.

Definition of "AML/CFT requirements"

The bill would widen the powers to make secondary legislation under the Act. Clause 32 would insert new sections 156B to 156J to provide six new powers to make secondary legislation relating to rules and notices.

The Act refers to "AML/CFT requirements" for reporting entities, which are associated with a range of compliance requirements and penalties for non-compliance. Section 5(1) of the Act defines "AML/CFT requirements" as the requirements set out in Part 2 of the Act. We consider that this definition, for the avoidance of doubt, should explicitly refer to rules and notices that would be made using the bill's proposed new powers to make secondary legislation. This would provide legal continuity by explic-

[2] At present the Department of Internal Affairs, the Financial Markets Authority, and the Reserve Bank regulate reporting entities under the Act.

itly linking secondary legislation made under the new powers proposed by the bill to the Act's penalties and sanctions regime.

We recommend amending clause 5 of the bill to insert new clause 5(1A). This new section would amend the definition of "AML/CFT requirements" to include reference to regulations, rules, and notices made under the Act.

Standardising requirements for decision-makers

The Act provides for regulations and codes of practice to be made for the AML/CFT system. The bill would extend the range of secondary legislation that can be made for the system by the Secretary of Justice, the Commissioner of Police, and the chief executive of the proposed single supervisor. It would provide new powers for rules and notices to be drafted. It would also provide for the drafting of a new national strategy and regulatory work programme for the system that would be used to inform decisions on levy regulations.

We recommend amending the bill to standardise requirements for how secondary legislation and the national strategy and work programme are made. This would include consultation requirements and matters to be considered by decision-makers in respect of secondary legislation made under the bill. Below, we detail our suggested changes to the bill to achieve this consistency.

Consultation with affected persons or bodies

We recommend amendments to several provisions in the bill and Act, as set out below, to standardise the requirements for consultation. Our proposed requirements would require consultation with:

- the persons or bodies that the decision-maker considers may be affected by the proposed change
- other relevant regulators
- the responsible Minister.

Clause 13 would replace section 64 of the Act, which relates to the procedure for approval and publication of codes of practice. It provides that the chief executive of the AML/CFT supervisor may make codes of practice for reporting entities or specific classes of activities under the Act or its regulations and rules. The bill as introduced proposes that, before a code of practice can be made, the chief executive must consult any persons (or their representatives) that the chief executive thinks will be substantially affected. We consider that the chief executive should be required to consult even if the persons or bodies will not be "substantially" affected. We also think that the chief executive should be required to consult the Minister. We recommend amending proposed section 64(3) accordingly.

Clause 26 would insert new sections 149A to 149F, which relate to the national strategy and regulatory work programme. We propose the following amendments relating to consultation with affected persons:

- inserting new subsection 149A(3A) to require the Minister to consult persons or bodies likely to be affected before adopting the strategy
- inserting new subsection 149D(2A) to require the Minister to consult the persons or bodies likely to be affected before issuing the new regulatory workplan
- amending proposed new subsection 149F(2) to require that, during its three-yearly review of the levy funding for the work programme, the Ministry must consult the persons or bodies that it considers likely to be affected.[3]

Proposed new section 155D, to be inserted by clause 30 of the bill, would require the Minister to undertake consultation with the following persons before recommending the making of levy regulations:

- persons the Minister considers able to represent the views of the reporting entities that will be liable to pay a levy under the proposed regulations
- any other representatives of persons who the Minister believes will be significantly affected by the proposed regulations.

We recommend amending this provision to instead require that the Minister consult the persons or bodies that the Minister considers may be affected by the proposed regulations. This would lower the threshold for persons or bodies who must be consulted.

Requirements for making rules and notices

Clause 32 would insert new sections 156B to 156J relating to rules and notices. As introduced, proposed new sections 156H to 156J set out the process for making notices under sections 156D to 156G. They include requirements about the matters to be considered by decision-makers, consultation, and disclosure of the reasoning behind decisions.

For consistency, we consider that these requirements should apply to all types of secondary legislation made under sections 156A to 156F. We recommend that the bill be amended accordingly.

We also recommend amending proposed sections 156H to 156J to refer to both rules and notices made under sections 156A to 156G rather than just notices made under sections 156D to 156G.

Proposed new section 156I sets out consultation requirements for notices made under sections 156D to 156G. We recommend amendments for consistency with the consultation requirements discussed earlier in this commentary. That is, before making rules or a notice, the maker would need to consult the Minister, and the persons or bodies that the maker considers may be affected by the proposed rules or notice. We also recommend amending new section 156I(2) to specify who must be consulted,

[3] The Ministry is defined in the Act as the department responsible for the administration of the Act. This is currently the Ministry of Justice.

based on the maker of the proposed rules or notice, rather than the sections under which the rules or notice are made.

New sections 156B to 156G would allow the making of rules, notices, and exemptions by decision-makers. We recommend replacing the consultation requirements for the making of secondary legislation in these sections and providing instead that sections 156H to 156J will apply.

Rights of persons required to attend a meeting about possible contravention

Clause 21(5) would insert paragraph (ba) into section 132(2) of the Act. It would empower the AML/CFT supervisor to require any person to attend a meeting to provide relevant information if the supervisor reasonably suspected they knew about a possible contravention of the Act or regulations.

Under clause 21(8), new section 132(3B), a person required to attend such a meeting would not be required to answer a question from the supervisor if the answer would or could incriminate that person. We are concerned that a person attending such a meeting may not be able to effectively protect themselves against self-incrimination without a lawyer present to advise them.

To provide explicit protections for a person attending a meeting under this section, we recommend inserting new section 132(3AA). It would provide that the person may:

- be represented by a lawyer at the meeting
- end the meeting at any point.

Under new subsection (3C), the supervisor must inform the person attending the meeting of their rights under this section before they are required to answer a question. We recommend amending this subsection to include the rights we have proposed in new subsection (3AA).

Definition of "privileged communication" in section 42 of the Act

Section 133 of the Act refers to matters relating to the conduct of on-site inspections. Subsection (5) states that "nothing in this section requires any person to disclose any privileged communications (as defined in section 42)". We recommend inserting clause 22(6) into the bill to delete the phrase "as defined in section 42" from section 133. As "privileged communication" is already a defined term in section 5(1) of the Act, the additional reference to the definition in section 42 is not needed.

Reporting on levy collection and use

New section 149E, inserted by clause 26, would require the Ministry to report annually on the regulatory work programme and levy that the bill provides for. It would also establish certain requirements for what must be included in this annual report.

We heard from submitters about the importance of ensuring transparency around the levy funding. Section 149E(3)(a) in the bill requires the annual report to include details of the total amount of levies collected and used. To improve transparency, we recommend separating these requirements to ensure that details of how the levy was used are published clearly in the annual report.

Powers for chief executive to grant exemptions

Clause 32 of the bill would insert new section 156E, allowing the chief executive to exempt a reporting entity or a class of reporting entities from paying all or part of a levy prescribed by regulations made under new section 155A. Under new section 156E(5), such an exemption would be secondary legislation.

New section 156E(2) states that the chief executive may grant an exemption:

- to an individual reporting entity on application by that entity in a manner and form approved by the chief executive (if any)
- to a class of reporting entities on the recommendation of the AML/CFT supervisor or on application by 1 or more reporting entities made in a manner or form approved by the chief executive (if any).

We consider that this provision could be incorrectly read as requiring either an application from a reporting entity or a recommendation from the supervisor, with no ability for the chief executive to act on their own. To make it clear that the chief executive may make a notice on their own motion, we recommend amending new section 156E(2) to state that the chief executive may grant an exemption on:

- the chief executive’s own motion; or
- the recommendation of a New Zealand government agency; or
- application by 1 or more reporting entities made in a manner or form approved by the chief executive (if any).

Our amendment would explicitly enable recommendations for notices to be made by any government agency. As the chief executive can make notices on their own motion, the “recommendation” is not a necessary process, and therefore does not need to be limited to the supervisor.

Duplication of powers

The Regulations Review Committee wrote to us about the exemption power in new section 155E as part of its regular scrutiny of matters relating to secondary legislation in bills. It observed that the power to make exemptions to levy requirements appeared to be a duplication of powers already granted in the bill—new section 156E, to be inserted by clause 32 of the bill, would allow the chief executive to make exemptions from the requirements of all or any of the provisions of this Act.

The Regulations Review Committee suggested that we consider whether the power in new section 155E is necessary given this duplication. It stated that, in comparison to new section 156E, there are no criteria or mandatory considerations for the use of the power. There are also no safeguards for the power, such as consultation requirements or requirements to provide the reasons for making the exemption.

To maintain consistency and simplify the bill, we recommend removing proposed section 155E. Through new section 156E, the chief executive would continue to be able to provide exemptions to any part of the Act, including levy requirements. The power in new section 156E includes safeguards and specific criteria for its use.[4]

Ability to declare classes of activities and transactions "occasional" by notice

Occasional activities and transactions are key types of regulated activities and transactions in the Act.

New section 156F, to be inserted by clause 32, would empower the supervisor to make notices about how the Act is applied. New paragraphs (h), (i), and (j) in section 156(1) would allow the supervisor to declare whether an activity or class of activities, or a transaction or class of transactions, are occasional, and under what circumstances and conditions.

As submitters noted, decisions delegated to rules and notices are generally technical or supplementary matters. However, empowering the supervisor to determine key terms in the Act via a notice may constitute delegation of a policy decision. Therefore, we consider that the powers to determine or alter classes of activities and transactions that are subject to regulatory obligations should remain in regulation to ensure that they are subject to appropriate scrutiny and political oversight from the Minister.

We recommend removing the ability of the supervisor to make declarations on a class of activities or a class of transactions in proposed new section 156F(1)(h) and (i). We also recommend deleting proposed section 156F(1)(j), which would allow the supervisor to declare a class of activities to be, or not to be, an occasional activity for the purposes of the Act.

Section 154 of the Act lays out the purposes for which the Governor-General may make regulations by Order in Council. In tandem with the removal of proposed section 156F(1)(j), we recommend reversing the bill's proposed repeal of section 154(1)(ha) in clause 29. This would allow the Governor-General, on the recommendation of the Minister, to declare through regulation whether an activity or class or activities are or are not "occasional" for the purposes of the Act.

Transfer of information from the Financial Markets Authority and Reserve Bank of New Zealand to the Department of Internal Affairs

Schedule 1 of the bill would insert new Part 3 into Schedule 1 of the Act. New Part 3 would set out transitional and savings provisions relating to the bill. Clause 9 of the Schedule details the consequences of transfers of functions from the Financial Markets Authority (FMA) and Reserve Bank of New Zealand (RBNZ) to the Department

[4] Consultation and other decision-making criteria are discussed in the "Standardising requirements for decision-makers" section of this report.

of Internal Affairs (DIA) under the Act. New clause 9(2)(a) would provide that, on or after commencement of the bill, “all information that relates solely or principally to the function and that is held by the FMA or the RBNZ is transferred to and held by the DIA.”

We are concerned that the bill’s current wording could be understood to say that even information retained by the FMA would be owned by DIA. Some information may not be transferred to DIA, because DIA already holds it. We consider that the wording in the bill as introduced may cause issues regarding the FMA responding to Official Information Act (OIA) requests.

We recommend amending clause 9(2)(a) to state “all information that relates solely or principally to the function and that is held by the FMA or the RBNZ *and that is transferred by the FMA or the RBNZ to the DIA* is held by the DIA.”

We consider that this change would delineate what information would be legally held by DIA, and allow for a clearer transfer of responsibilities to respond to OIA requests regarding this information. It would also make the wording of this section consistent with clause 16(2)(a) of Schedule 1 of the Credit Contracts and Consumer Finance Amendment Bill. This clause provides for a similar transfer of information from the Commerce Commission to the FMA.

Appendix

Committee process

The Anti-Money Laundering and Countering Financing of Terrorism (Supervisor, Levy, and Other Matters) Amendment Bill was referred to this committee on 22 July 2025. The House instructed us to report the bill back no later than 24 November 2025.

We called for submissions on the bill with a closing date of 21 August 2025. We received and considered submissions from 14 interested groups and individuals. We heard oral evidence from 6 submitters. We wish to acknowledge the efforts of all submitters and thank them for their engagement.

Advice on the bill was provided by the Ministry of Justice. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office assisted with legal drafting. The Regulations Review Committee reported to us on the powers contained in new section 155E.

Committee membership

Dr Parmjeet Parmar (Chairperson)

Dr Hamish Campbell

Reuben Davidson

Cushla Tangaere-Manuel

Dr Vanessa Weenink

Arena Williams

Scott Willis

Dr David Wilson

Related resources

The documents we received as advice and evidence are available on the Parliament website.

Key to symbols used in reprinted bill

As reported from a select committee

text inserted unanimously

~~text deleted unanimously~~

Hon Nicole McKee

Anti-Money Laundering and Countering Financing of Terrorism (Supervisor, Levy, and Other Matters) Amendment Bill

Government Bill

Contents

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Anti-Money Laundering and Countering Financing of Terrorism (Supervisor, Levy, and Other Matters) Amendment Act **2025**.

2 Commencement

This Act comes into force on ~~the 28th day after Royal assent~~ **1 July 2026**.

3 Principal Act

This Act amends the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

Part 1
Amendments to principal Act

4 Section 4 amended (Overview)

(1) In section 4(3)(e), replace "AML/CFT supervisors" with "the AML/CFT supervisor".

(2) In section 4(5)(a), replace "that identify the AML/CFT supervisors and their functions, powers, and ability to delegate supervisory functions;" with "that set out the functions and powers of the AML/CFT supervisor and its ability to delegate supervisory functions;".

(3) Replace section 4(5)(b) with:

(b) subpart 2 includes regulation-making powers, rule-making powers, and provisions relating to exemptions from the requirements of the Act.

5 Section 5 amended (Interpretation)

(1) In section 5(1), insert in their appropriate alphabetical order:

national strategy means the national strategy adopted in accordance with **section 149A**

public service agency has the meaning given to it by section 5 of the Public Service Act 2020

rules means rules made under this Act

work programme means the regulatory work programme adopted in accordance with **section 149D**

(1A) In section 5(1), definition of **AML/CFT requirements**, after "Part 2", insert "and regulations, rules, and notices made under this Act".

(2) In section 5(1), replace the definition of **AML/CFT supervisor** with:

AML/CFT supervisor means the public service agency that, with the authority of the Prime Minister, is for the time being responsible for supervising reporting entities under this Act

(3) In section 5(1), definition of **applicable threshold value**, replace "regulations" with "regulations made under section 153 or 154 or by notice under **section 156D**" in each place.

(4) In section 5(1), definition of **approved entity**, replace "regulations" with "notice made under **section 156F**" in each place.

(5) In section 5(1), definition of **bearer-negotiable instrument**, paragraph (g), replace "regulations" with "rules made under **section 156B**".

(6) In section 5(1), replace the definition of **code of practice** and **proposed code of practice** with:

code of practice means a code of practice made under **section 64**

(7) In section 5(1), definition of **customer**, replace "regulations" with "regulations made under section 154 or by notice under **section 156F**" in each place.

(8) In section 5(1), definition of **designated business group**,—

(a) paragraph (b), replace "regulations (if any)" with "requirements (if any) prescribed by notice under **section 156F**"; and

(b) paragraph (d)(xiii), replace "regulations" with "notice under **section 156F**".

(9) In section 5(1), definition of **designated non-financial business or profession**, replace "regulations" with "regulations made under section 154 or by notice under **section 156F**" in each place.

(10) In section 5(1), definition of **facility**, replace "regulations" with "notice under **section 156F**" in each place.

(11) In section 5(1), definition of **financial institution**, replace "regulations" with "regulations made under section 154 or by notice under **section 156F**" in each place.

(12) In section 5(1), definition of **legal arrangement**, replace "prescribed arrangement" with "arrangement declared by regulations made under section 154 or by notice under **section 156F**".

(13) In section 5(1), definition of **occasional activity**, replace "regulations" with "regulations made under section 154 or by notice under **section 156F**" in each place.

(14) In section 5(1), definition of **occasional transaction**, replace "regulations" with "regulations made under section 154 or by notice under **section 156F**" in each place.

(15) In section 5(1), definition of **ordering institution**, replace "regulations" with "regulations made under section 154 or by notice under **section 156F**" in each place.

(16) In section 5(1), definition of **reporting entity**, replace "regulations" with "regulations made under section 154 or by notice under **section 156F**" in each place.

(17) In section 5(1), definition of **transaction**, replace "regulations" with "regulations made under section 154 or by notice under **section 156F**" in each place.

(18) In section 5(1), definition of **wire transfer**, replace "regulations" with "regulations made under section 154 or by notice under **section 156F**" in each place.

(19) In section 5(3), delete "relevant".

(20) In section 5(3)(c), replace "any AML/CFT supervisor" with "the AML/CFT supervisor".

(21) In section 5(4), delete "relevant".

6 Section 16 amended (Standard customer due diligence: verification of identity requirements)

(1) After section 16(1), insert:

(1A) Subsection (1)(b) and (c) does not require a reporting entity to take steps to verify any information obtained under section 15(d).

(2) In section 16(1)(d), replace "regulations" with "rules made under **section 156B**".

7 Section 39A amended (Interpretation)

In section 39A, replace the definition of **suspicious activity** with:

suspicious activity—

(a) means an activity undertaken in circumstances—

(i) in which—

(A) a person conducts or seeks to conduct a transaction through a reporting entity; or

(B) a reporting entity provides or proposes to provide a service to a person; or

(C) a person requests a reporting entity to provide a service or makes an inquiry to the reporting entity in relation to a service; and

(ii) where the reporting entity has reasonable grounds to suspect that the transaction or proposed transaction, the service or proposed service, or the inquiry, as the case may be, is or may be relevant to—

(A) the investigation or prosecution of any person for a money laundering offence; or

(B) the enforcement of the Misuse of Drugs Act 1975; or

(C) the enforcement of the Terrorism Suppression Act 2002; or

(D) the enforcement of the Proceeds of Crime Act 1991 or the Criminal Proceeds (Recovery) Act 2009; or

(E) the investigation or prosecution of an offence (within the meaning of section 243(1) of the Crimes Act 1961); and

(b) includes an activity—

(i) that occurs in the course of carrying out the business of a person who is in trade in respect of 1 or more of the articles described in section 67A; and

(ii) where the person in trade has reasonable grounds to suspect that the activity is or may be relevant to 1 or more of the matters described in **paragraph (a)(ii)(A) to (E)**.

8 New section 40A inserted (Certain persons in trade may report suspicious activities)

After section 40, insert:

40A Certain persons in trade may report suspicious activities

(1) This section applies to a person who is in trade in respect of 1 or more of the articles described in section 67A.

(2) A person to whom this section applies may report any suspicious activity to the Commissioner that occurs in the course of carrying out their business.

9 Section 41 amended (Nature of suspicious activity report)

(1) In section 41(1), after "section 40", insert "or **40A**".

(2) In section 41(1)(a), replace "prescribed" with "approved".

(3) In section 41(1)(b), replace "regulations" with "rules made under **section 156C**".

(4) In section 41(1)(c), after "reporting entity", insert "or person in trade".

(5) In section 41(1)(d), after "reporting entity", insert "or person in trade".

(6) In section 41(2), after "reporting entity", insert "or person in trade".

10 Section 46 amended (Disclosure of information relating to suspicious activity reports)

(1) In section 46(2)(a), replace "a" with "any".

(2) Replace section 46(2)(b) with:

(b) the AML/CFT supervisor; or

(3) In section 46(4), replace "An AML/CFT supervisor" with "The AML/CFT supervisor".

(4) In section 46(5), delete "that made the delegation".

11 Section 60 amended (Annual AML/CFT report)

(1) In section 60(2)(a), replace "prescribed form" with "approved form (if any)".

(2) In section 60(2)(c), replace "regulations" with "rules made under **section 156B**".

(3) After section 60(2)(c), insert:

(d) provide any sector-specific information required by the AML/CFT supervisor under rules made under **section 156B**.

(4) In section 60(3), replace "its AML/CFT supervisor" with "the AML/CFT supervisor".

12 Sections 62 and 63 repealed

Repeal sections 62 and 63.

13 Section 64 replaced (Procedure for approval and publication of codes of practice)

Replace section 64 with:

64 Chief executive of AML/CFT supervisor may make codes of practice

(1) The chief executive of the AML/CFT supervisor may make 1 or more codes of practice for the following:

(a) all reporting entities:

(b) specific classes of reporting entities:

(c) specific activities or classes of activities regulated by this Act or its regulations or rules.

(2) The purpose of a code of practice is to provide a statement of practice that assists reporting entities to comply with their obligations under this Act, regulations, notices, and rules.

(3) Before making a code of practice, the chief executive must consult— ~~consult any persons, or representatives of the persons, that the chief executive thinks will be substantially affected by the code of practice.~~

(a) the persons or bodies that the chief executive considers may be affected by the proposed code of practice; and

(b) the Minister.

(4) A code of practice made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

14 Section 65 amended (Amendment and revocation of codes of practice)

(1) In section 65(2), replace "Sections 63, 64, 66, and 67" with "Sections 64 and 67".

(2) After section 65(2), insert:

(3) **Section 64(3)** does not apply to amendments to codes of practice if the chief executive of the AML/CFT supervisor is satisfied that—

(a) the amendments are only correcting minor errors; or

(b) the amendments are otherwise of a minor or technical nature only.

15 Section 66 repealed (Proof of codes of practice)

Repeal section 66.

16 Section 67 amended (Legal effect of codes of practice)

In section 67(3), (4), and (5), replace "section 64(6)" with "**section 64**".

17 Section 70 amended (Reporting requirements)

(1) Replace section 70(a) with:

(a) be in the approved form (if any); and

(2) In section 70(c), replace "regulations" with "rules made under **section 156C**".

18 Section 118 amended (Powers under search warrant)

In section 118(3), replace "118, 119, and 130" with "118 and 119".

19 Section 130 repealed (AML/CFT supervisors)

Repeal section 130.

20 Section 131 replaced (Functions)

Replace section 131 with:

131 Functions

The functions of the AML/CFT supervisor are to—

(a) monitor and assess the level of risk of money laundering and the financing of terrorism, including through providing risk assessments and intelligence to the Commissioner and reporting entities:

(b) monitor reporting entities for compliance with this Act and regulations, and for this purpose to develop and implement a supervisory programme:

(c) provide timely and up-to-date guidance to reporting entities to assist compliance with this Act, regulations, and rules:

(d) investigate reporting entities and enforce compliance with this Act, regulations, and rules:

(e) engage with reporting entities to identify and mitigate unintended consequences of the application of this Act, regulations, and rules:

(f) engage with the Ministry and the Commissioner on policy development, regulatory reform, levy settings, administration, ministerial exemptions, and as otherwise requested under **section 149(ca)**:

(g) engage with domestic and international agencies that have oversight functions about any matter relating to the AML/CFT supervisor's functions, both bilaterally and in relevant forums, to—

(i) ensure the consistent, effective, and efficient implementation of this Act; and

(ii) meet international commitments:

(h) make codes of practice for reporting entities:

(i) make rules relating to AML/CFT requirements and other matters under this Act:

(j) make notices relating to the application of this Act.

21 Section 132 amended (Powers)

(1) In section 132(1), replace "An AML/CFT supervisor" with "The AML/CFT supervisor".

(2) In section 132(2), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

(3) In section 132(2)(a), after "on notice", insert "given in accordance with **subsection (3A)**".

(4) In section 132(2)(b), after "section 133", insert "(including via an audio or audiovisual link)".

(5) After section 132(2)(b), insert:

(ba) require any person whom the AML/CFT supervisor reasonably suspects has knowledge of a possible contravention of this Act or regulations to attend a meeting (including via an audio or audiovisual link) with the AML/CFT supervisor to—

(i) answer any questions relating to a reporting entity's records and documents; and

(ii) provide any other information that the AML/CFT supervisor considers necessary or desirable for the purposes of performing or exercising its functions, powers, or duties under this Act and regulations; and

(6) In section 132(2)(c)(iii) and (iv), replace "and regulations" with ", regulations, and rules".

(7) In section 132(3), replace "An AML/CFT supervisor" with "The AML/CFT supervisor".

(8) After section 132(3), insert:

(3A) The AML/CFT supervisor may require production of, or access to, records, documents, or information under subsection (2)(a)—

(a) as soon as possible after notification, if the AML/CFT supervisor considers that the production of, or access to, the records, documents, or information is a matter of urgency; or

(b) in any other case,—

(i) by any specified date that the AML/CFT supervisor considers reasonable in the circumstances; or

(ii) if no specified date is given, within 10 working days.

(3AA) A person required to attend a meeting under **subsection (2)(ba)** may—

(a) be represented by a lawyer at the meeting; and

(b) end the meeting at any point.

(3B) A person is not required to answer a question asked by the AML/CFT supervisor under **subsection (2)(ba)** if the answer would or could incriminate the person.

(3C) Before the AML/CFT supervisor requires a person to answer a question under **subsection (2)(ba)**, the person must be informed of the ~~right~~ rights specified in **subsections (3AA) and (3B)**.

22 Section 133 amended (Matters relating to conduct of on-site inspections)

(1) In section 133(1), replace "An AML/CFT supervisor" with "The AML/CFT supervisor".

(2) In section 133(1), delete "a dwellinghouse or".

(3) In section 133(2), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

(4) In section 133(3), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

(5) In section 133(4), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

(6) In section 133(5), delete "(as defined in section 42)".

23 New section 133A inserted (Power to enter dwellinghouses)

After section 133, insert:

133A Power to enter dwellinghouses

(1) Despite section 133(1), the AML/CFT supervisor must not enter a dwellinghouse to conduct an on-site inspection except—

(a) with the consent of the occupier; or

(b) pursuant to a warrant issued under **subsection (2)**.

(2) An issuing officer may, on an application made by the AML/CFT supervisor in the manner provided in subpart 3 of Part 4 of the Search and Surveillance Act 2012, issue a warrant to enter a dwellinghouse if the officer is satisfied that there are reasonable grounds to believe that the dwellinghouse is a place where—

(a) a reporting entity carries out work; and

(b) records, documents, or information relevant to the supervision and monitoring of the reporting entity under this Act are likely to be kept.

(3) A warrant issued under **subsection (2)** authorises the AML/CFT supervisor to exercise only the powers specified in sections 132(1) and (2)(b) and 133 and

only in respect of the parts of the dwellinghouse where the reporting entity carries out work.

24 Section 142 amended (Financial intelligence functions of Commissioner)

(1) In section 142(h), replace "AML/CFT supervisors" with "the AML/CFT supervisor".

(2) In section 142(k), replace "AML/CFT supervisors" with "the AML/CFT supervisor".

(3) Replace section 142(l) with:

(l) co-operate with relevant agencies domestically and internationally to help ensure the effective implementation of the requirements under this Act and regulations, including participation in international forums and as requested under **section 149(cb)**:

(m) make rules relating to reports and other matters under this Act:

(n) make notices relating to the application of this Act.

25 Section 149 amended (Role of Ministry)

(1) After section 149(c), insert:

(ca) establishing reference, working, and other groups—

(i) as required to give effect to **section 149D**; and

(ii) as considered necessary by the Ministry to give effect to this Act and regulations; and

(cb) engaging with domestic and international counterparts and participating in relevant forums to ensure the consistent, effective, and efficient implementation of this Act in a way that is consistent with New Zealand's international obligations; and

(cc) issuing a regulatory work programme for AML/CFT; and

(2) In section 149, insert as subsection (2):

(2) The chief executive has the following functions:

(a) making notices relating to prescribed thresholds and amounts under **section 156D**:

(b) making exemption notices under **section 156E**.

26 New sections 149A to 149F and cross-heading inserted

After section 149, insert:

National strategy and work programme

149A National strategy for AML/CFT must be adopted

(1) The Minister must adopt a national strategy for AML/CFT.

(2) The purpose of the national strategy is to direct the AML/CFT supervisor, the Commissioner, the Ministry, and other public service agencies in performing or exercising their functions, duties, and powers under the Act to give effect to the purpose set out in section 3.

(3) In developing the national strategy, the Minister must have regard to any relevant risk assessments or intelligence provided by the Commissioner or the AML/CFT supervisor.

(3A) Before adopting the national strategy, the Minister must consult the persons or bodies that the Minister considers may be affected by the strategy.

(4) Any direction to the Commissioner in the national strategy must be consistent with section 16 of the Policing Act 2008 (which provides for the responsibilities and independence of the Commissioner).

149B Publication of national strategy

After adopting a national strategy under **section 149A**, or after amending or replacing the strategy, the Minister must, as soon as practicable,—

(a) present a copy of the strategy to the House of Representatives; and

(b) notify the adoption, amendments, or replacement in the *Gazette*; and

(c) publish the strategy on an Internet site maintained by or on behalf of the Ministry.

149C Duty to review national strategy after Financial Action Task Force evaluation

The Minister must review the national strategy following the publication of a Financial Action Task Force mutual evaluation final report relating to New Zealand.

149D Regulatory work programme must be issued

(1) The Ministry must issue a regulatory work programme for AML/CFT following the issue of a national strategy adopted under **section 149A**.

(2) The purpose of the work programme is to set out how the AML/CFT supervisor, the Commissioner, the Ministry, and any other relevant public service agency will give effect to the national strategy.

(2A) Before issuing the regulatory work programme, the Ministry must consult the persons or bodies that the Ministry considers may be affected by the work programme.

(3) The Ministry must publish a summary of the work programme on an Internet site maintained by or on behalf of the Ministry.

(4) *See also* **section 155C**, which requires the Minister to have regard to the work programme when recommending the making of regulations that set a levy.

149E Ministry must report annually on work programme and levy

(1) The Ministry must provide an annual report to the Minister on the work programme and the levy.

(2) The annual report must be provided within 12 months after the end of each financial year.

(3) The annual report must include—

(a) details of the total amount of levies collected~~ and used~~:

(aa) details of how the levies were used:

(b) future projections of cost and revenue.

(4) The Ministry must publish the report on an Internet site maintained by or on behalf of the Ministry.

149F Ministry must review levy funding for work programme

(1) The Ministry must, 3 years after levy regulations are made or significantly amended,—

(a) review the levy funding for the work programme; and

(b) provide a report to the Minister on its findings.

(2) During the review, the Ministry must consult the persons or bodies that the Ministry considers may be affected by the levy funding for the work programme.~~ may consult the persons or bodies that the Ministry thinks fit to consult in the circumstances as representatives of reporting entities.~~

(3) The Ministry must publish a report made under **subsection (1)(b)** on its Internet site within 6 months after the provision of the report to the Minister.

(4) The requirement in **subsection (1)** does not apply to any minor or technical amendments to the levy regulations.

(5) In this section, **levy regulations** means regulations made under **section 155A** prescribing a levy.

27 Sections 150 to 152 repealed

Repeal sections 150 to 152.

28 Section 153 amended (Regulations)

(1) Repeal section 153(1)(a) to (c) and (e) to (h).

(2) In section 153(1)(i), replace “an AML/CFT supervisor” with “the AML/CFT supervisor”.

29 Section 154 amended (Regulations relating to application of Act)

(1) Repeal section 154(1)(a), (ac) to (d), (f),~~ (ha),~~ and (k).

(2) After section 154(1)(l), insert:

(m) declaring a person or class of persons to be, or not to be, a designated non-financial business or profession for the purposes of this Act:

(n) declaring an arrangement to be a legal arrangement for the purposes of this Act:

(o) declaring a person to be, or not to be, an ordering institution for the purposes of this Act.

30 New sections 155A to ~~155E~~ 155D inserted

After section 155, insert:

155A Levies payable by reporting entities

(1) Every reporting entity must pay to the Crown, or to a prescribed person on behalf of the Crown, a levy prescribed by the regulations made under **subsection (2)**.

(2) The Governor-General may, by Order in Council, on the recommendation of the Minister, make regulations providing for the levies.

(3) The levies must be prescribed on the basis that the following costs should be met out of the levies:

(a) a portion of the costs incurred by the Ministry, the AML/CFT supervisor, and the Commissioner in performing or exercising their functions, powers, and duties under this Act; and

(b) a portion of any additional costs associated with giving effect to the national strategy adopted under **section 149A** and with the work programme issued under **section 149D**; and

(c) the full costs of collecting the levy money.

(4) For the purpose of **subsection (3)(a) and (b)**, the Minister must determine whether the whole or a portion of the costs will be met by levies under this Act (and the size of any portion).

(5) Levies may be prescribed on the basis that any actual cost that could have been, but has not been, recovered as a levy shortfall for a year may be recovered (along with any financing charge) over any period of up to 5 years.

(6) The regulations may—

(a) specify the class or classes of reporting entities that are required to pay a levy:

(b) specify the amount of levies or the method of calculating or ascertaining the amount of levies:

(c) include in levies, or provide for the inclusion in levies of, any shortfall in recovering the actual costs:

(d) refund, or provide for refunds of, any over-recovery of the actual costs:

(e) provide for the payment and collection of levies:

(f) specify the financial year, or part financial year, to which a levy applies, and apply that levy to that financial year, or part financial year, and each subsequent financial year until the levy is revoked or replaced:

(g) require payment of a levy for a financial year, or part financial year, irrespective of the fact that the regulations may be made after that financial year has commenced.

(7) Regulations made under this section may provide for different levies for different classes of reporting entities.

(8) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

155B Miscellaneous provisions relating to levies

(1) If a person is in 2 or more classes of reporting entities in respect of which different levies have been prescribed under **section 155A**, the person must pay each of those levies (unless the regulations provide otherwise).

(2) The person to whom the levy is payable must ensure that each levy payment is paid into a Crown Bank Account and is separately accounted for.

(3) The amount of any unpaid levy is recoverable in any court of competent jurisdiction as a debt due to the Crown.

155C Matters to which Minister must have regard

Before recommending the making of regulations under **section 155A**, the Minister must have regard to the national strategy and the work programme.

155D Minister must consult on proposed levy regulations

(1) Before recommending the making of regulations under **section 155A**, the Minister must consult the persons or bodies that the Minister considers may be affected by the proposed regulations.~~—~~

~~(a) the persons who the Minister considers are able to represent the views of reporting entities that will be liable to pay a levy under the proposed regulations; and~~

~~(b) any other representatives of persons who the Minister believes will be significantly affected by the proposed regulations.~~

(2) A failure to comply with this section does not affect the validity of the regulations.

~~**155E Chief executive may grant levy exemptions**~~

~~(1) The chief executive may exempt a reporting entity or a class of reporting entity from the requirement to pay the whole or any part of a levy prescribed by regulations made under **section 155A**.~~

~~(2) An exemption made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).~~

31 Section 156 amended (Consultation not required for consolidation of certain regulations and minor amendments)

In section 156, insert as subsection (2):

(2) The Minister is not required to comply with **section 155D** in respect of regulations made under **section 155A** that amend other regulations if the Minister is satisfied that—

(a) the amendments are only correcting minor errors; or

(b) the amendments are otherwise of a minor or technical nature only; or

(c) it is necessary or desirable in the public interest that the amendments be made urgently.

32 New sections 156B to 156J and cross-headings inserted

After section 156A, insert:

Rules

156B AML/CFT supervisor may make rules

(1) The chief executive of the AML/CFT supervisor may make rules for all or any of the following purposes:

(a) prescribing requirements (generic and sector-specific) for standard, simplified, enhanced, and ongoing customer due diligence and any other AML/CFT requirements, including, but not limited to, the following:

(i) information to be provided or obtained for the purposes of identification and verification:

(ii) the circumstances in which a particular type of customer due diligence must be conducted:

(iii) specifying entities or classes of entities, or products, services, or transactions for which a reporting entity may conduct simplified customer due diligence:

(iv) the conditions in which third parties may be relied on to conduct customer due diligence:

(v) the conditions on which a member of a designated business group may adopt an AML/CFT programme of another member of the group and share and use the policies, controls, and procedures of that programme:

(vi) the circumstances in which corporations are deemed to be affiliated:

(vii) the factors that a reporting entity must have regard to when assessing risk:

(viii) the time period for auditing of a reporting entity's risk assessment and AML/CFT programme:

(b) prescribing instruments to be bearer-negotiable instruments for the purposes of this Act:

(c) prescribing the information to be included in any of the following documents required under this Act:

(i) any documents required under subpart 1 of Part 2:

(ii) annual reports under section 60 (including, without limitation, sector-specific information):

(d) prescribing the information to be included in records, and the manner in which records are to be kept, by reporting entities or any specified class or classes of reporting entities:

(e) prescribing other identifying information that allows a transaction to be traced back to the originator for the purposes of section 27(1):

(f) prescribing the manner in which any of the following are to be given or served:

(i) any documents required under subpart 1 of Part 2:

(ii) annual reports under section 60:

(iii) formal warnings under section 80:

(g) prescribing requirements for the purposes of section 30(b) that apply to new or developing technologies or products that might favour anonymity.

~~(2) Before making rules under this section, the chief executive of the AML/CFT supervisor must consult—~~

~~(a) the persons who the chief executive of the AML/CFT supervisor considers are able to represent the views of reporting entities that will be affected by the proposed rules; and~~

~~(b) any other representatives of persons who the chief executive of the AML/CFT supervisor believes will be significantly affected by the proposed rules; and~~

~~(c) the Ministry, the Commissioner, and any other public service agencies or regulators that the chief executive of the AML/CFT supervisor considers has an interest in the proposed rules; and~~

~~(d) the Minister.~~

(2) **Sections 156H to 156J** apply to the chief executive of the AML/CFT supervisor when making rules under **subsection (1)**.

(3) **Subsection (2)** does not apply if the chief executive of the AML/CFT supervisor is satisfied that the rules make an amendment that is minor in effect or corrects a minor or technical error.

(4) Rules made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

156C Commissioner may make rules

(1) The Commissioner may make rules for all or any of the following purposes:

(a) prescribing the information to be included in documents or reports:

(b) prescribing the manner in which documents or reports are to be given or served.

(2) In this section, **documents or reports** means—

(a) suspicious activity reports:

(b) prescribed transaction reports:

(c) cash reports.

~~(3) Before making rules under this section, the Commissioner must consult—~~

~~(a) the persons who the Commissioner considers are able to represent the views of reporting entities that will be affected by the proposed rules; and~~

~~(b) any other representatives of persons who the Commissioner believes will be significantly affected by the proposed rules; and~~

~~(c) the Ministry, the AML/CFT supervisor, and any other public service agencies or regulators that the Commissioner considers has an interest in the proposed rules; and~~

~~(d) the Minister.~~

(3) **Sections 156H to 156J** apply to the Commissioner when making rules under **subsection (1)**.

(4) **Subsection (3)** does not apply if the Commissioner is satisfied that the rules make an amendment that is minor in effect or corrects a minor or technical error.

(5) Rules made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Notices

156D Chief executive may make notice prescribing amounts or thresholds

(1) The chief executive may, by notice, prescribe amounts or thresholds that are required to be prescribed for the purposes of this Act or regulations.

(2) The chief executive may prescribe 1 or more amounts or thresholds for the purposes of different provisions of this Act or regulations.

(3) Without limiting **subsection (1)**, the chief executive may prescribe threshold values for the purposes of sections 68 and 69 and may prescribe the person or class of persons, transaction or class of transactions, or financial activity or class of financial activities to which that threshold applies.

(4) The chief executive may not exercise the power under **subsection (1)** in relation to a particular amount or threshold if any regulations made under section 153(1)(d) already provide for it.

(4A) **Sections 156H to 156J** apply to the chief executive when making an exemption notice under **subsection (1)**.

(5) Notices made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

156E Chief executive may make exemption notice relating to reporting entity or transaction

(1) The chief executive may, by notice, exempt either or both of the following from the requirements of all or any of the provisions of this Act:

(a) a reporting entity or class of reporting entities:

(b) a transaction or class of transactions.

(2) The chief executive may grant an exemption on—

~~(a) to an individual reporting entity on application by that entity in a manner and form approved by the chief executive (if any):~~

~~(b) to a class of reporting entities on the recommendation of the AML/CFT supervisor or on application by 1 or more reporting entities made in a manner or form approved by the chief executive (if any).~~

(a) the chief executive's own motion; or

(b) the recommendation of a New Zealand government agency; or

(c) application by 1 or more reporting entities made in a manner or form approved by the chief executive (if any).

(3) The chief executive may grant the exemption—

(a) unconditionally; or

(b) subject to any conditions that the chief executive thinks fit.

~~(4) The exemption notice must include an explanation of the reason for granting the exemption.~~

(4) **Sections 156H to 156J** apply to the chief executive when making a notice under **subsection (1)**.

(5) An exemption notice ~~Exemption notices~~ made under this section is ~~are~~ secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

156F AML/CFT supervisor may make notice relating to application of Act

(1) The chief executive of the AML/CFT supervisor may make notices for the following purposes:

(a) exempting or providing for the exemption of any transaction, product, or service or class of transactions, products, or services from all or any of the provisions of this Act:

(b) exempting or providing for the exemption of any financial activity or class of financial activities described in the definition of financial institution in section 5 from all or any of the provisions of this Act:

(c) declaring an entity or a class of entities to be an approved entity or approved class of entities for the purposes of section 33(3A):

(d) excluding certain relationships or banking services from the application of section 29 (which relates to correspondent banking relationships):

(e) exempting a reporting entity from its obligation to obtain some or all of the information set out in section 27(1) in relation to a specified transfer or transaction:

(f) declaring an account or arrangement to be, or not to be, a facility and the circumstances and conditions in which an account or arrangement is, or is not, a facility for the purposes of this Act:

(g) declaring a person to be, or not to be, a reporting entity and the circumstances and conditions in which a person is, or is not, a reporting entity for the purposes of this Act:

(h) declaring an activity ~~or a class of activities~~ to be, or not to be, an occasional activity and the circumstances and conditions in which an activity ~~or a class of activities~~ is, or is not, an occasional activity for the purposes of this Act:

(i) declaring a transaction ~~or class of transactions~~ to be, or not to be, an occasional transaction and the circumstances and conditions in which a transaction ~~or a class of transactions~~ is, or is not, an occasional transaction for the purposes of this Act:

~~(j)~~ ~~declaring an activity or a class of activities to be, or not to be, an occasional activity for the purposes of this Act:~~

(k) declaring a transfer or transaction, or a class of transfers or transactions, not to be a wire transfer and the circumstances and conditions in which a transfer or transaction, or class of transfers or transactions, is not a wire transfer for the purposes of this Act:

(l) declaring a person or class of persons to be, or not to be, a customer and the circumstances and conditions in which a person or class of persons is, or not, a customer for the purposes of the Act:

(m) declaring an entity or class of entities (whether domestic or overseas) to be eligible for inclusion in a designated business group:

(n) prescribing requirements for written elections for a person to become a member of a designated business group:

(o) declaring a person to be, or not to be, a financial institution for the purposes of this Act:

(p) declaring a person to be, or not to be, a designated non-financial business or profession for the purposes of this Act:

(q) declaring an arrangement to be a legal arrangement for the purposes of this Act:

(r) declaring a person to be, or not to be, an ordering institution for the purposes of this Act.

(1A) **Sections 156H to 156J** apply to the chief executive when making a notice under **subsection (1)**.

(2) Notices made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

(3) Notices made under this section must be consistent with any regulations made under section 154.

156G Commissioner may make notice relating to application of Act

(1) The Commissioner may make notices for the following purposes:

(a) exempting a reporting entity or class of reporting entity from the obligation to report under section 48A in relation to international wire transfers:

(b) exempting a reporting entity or class of reporting entity from the obligation to provide some or all of the information in section 48B(1)(b) in a prescribed transaction report in respect of a particular transfer or transaction:

(c) exempting certain movements and receipts of cash from the application of subpart 6 of Part 2.

(1A) **Sections 156H to 156J** apply to the Commissioner when making a notice under **subsection (1)**.

(2) Notices made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Process for making rules and notices

156H Matters to which maker of rules or notice must have regard

Before making rules or a notice under **sections 156A to 156G**, the maker ~~a notice under **sections 156D to 156G**, the maker of the notice~~ must have regard to—

(a) the intent and purposes of this Act and any regulations; and

(b) the risk of money laundering and the financing of terrorism, including, where appropriate, the risk associated with a reporting entity, the products and services offered by the reporting entity, and the circumstances in which the products and services are provided; and

(c) the impact on the prevention, detection, investigation, and prosecution of offences; and

(d) the level of regulatory burden on a reporting entity; and

(e) whether the rules or notice would create an unfair advantage for a reporting entity or would disadvantage other reporting entities; and

(f) the overall impact that the rules or notice would have on the integrity of, and compliance with, the AML/CFT regulatory regime.

156I Maker must consult on proposed rules or notice

~~(1) Before making a notice under **sections 156D to 156G**, the maker must—~~

~~(a) do everything reasonably possible on the maker's part to advise all persons, or representatives of those persons, who, in the maker's opinion, will be affected by any notice of the proposed notice and of the reasons for it; and~~

~~(b) give such persons or their representatives a reasonable opportunity to consider the proposed notice and to make submissions on it to the maker, and the maker must consider those submissions; and~~

~~(c) make copies of the proposed notice available for inspection by any person who so requests before the notice is made.~~

(2) Before making rules or a notice under **sections 156A to 156G** ~~a notice under **sections 156D to 156G**~~, the maker must consult~~,—~~

(aa) the persons or bodies that the maker considers may be affected by the proposed rules or notice:

(aab) the Minister:

(a) if the chief executive is the maker ~~notice is to be made under **section 156D or 156E**~~, the AML/CFT supervisor and the Commissioner:

(b) if the chief executive of the AML/CFT supervisor is the maker ~~notice is to be made under **section 156F**~~, the Ministry and the Commissioner:

(c) if the Commissioner is the maker ~~notice is to be made under **section 156G**~~, the AML/CFT supervisor and the Ministry:

(d) in all cases, any other public service agencies or regulators that the maker of the notice considers have ~~has~~ an interest in the proposed rules or notice.

(3) A failure to comply with this section does not affect the validity of the rules or notice.

156J Maker of rules or notice must publish reason for making rules or notice

The maker of ~~the notice~~ rules or a notice under **sections 156A to 156G** must publish the reason for making the rules or notice alongside the rules or notice.

33 New section 159B and cross-heading inserted

After section 159A, insert:

Forms

159B AML/CFT supervisor or Commissioner may approve forms

(1) The AML/CFT supervisor may approve the forms of the following documents:

(a) any document required under subpart 1 of Part 2:

(b) annual reports under section 60:

(c) formal warnings under section 80.

(2) The Commissioner may approve the forms of the following documents:

(a) suspicious activity reports:

(b) prescribed transaction reports:

(c) cash reports.

34 Schedule 1 amended

In Schedule 1,—

(a) insert the Part set out in **Schedule 1** of this Act as the last Part; and

(b) make all necessary consequential amendments.

35 Consequential amendments to principal Act

Amend the principal Act as set out in **Schedule 2**.

Part 2
Consequential amendments to other enactments

36 Consequential amendments to other enactments

The enactments specified in **Schedule 3** are amended in the manner specified in that schedule.

Schedule 1
New Part 3 inserted into Schedule 1

s 34

Part 3
Transitional and savings provisions relating to Anti-Money Laundering and Countering Financing of Terrorism (Supervisor, Levy, and Other Matters) Amendment Act 2025

8 Interpretation

In this Part,—

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

amendment Act means the Anti-Money Laundering and Countering Financing of Terrorism (Supervisor, Levy, and Other Matters) Amendment Act **2025**

commencement means the commencement of the amendment Act

DIA means the Department of Internal Affairs

FMA means the Financial Markets Authority

RBNZ means the Reserve Bank of New Zealand

secondary legislation means secondary legislation made under the Act

secondary legislation provision means any provision in the Act that provides for the making of secondary legislation.

Transitional provisions relating to AML/CFT supervisor changes

9 Consequences of transfers of functions under Act

(1) This clause applies to—

(a) a function or power of the FMA in relation to this Act that is transferred to the DIA as a consequence of the amendments made by the amendment Act; and

(b) a function or power of the RBNZ in relation to this Act that is transferred to the DIA as a consequence of the amendments made by the amendment Act.

(2) On and after commencement,—

(a) all information that relates solely or principally to the function and that is held by the FMA or the RBNZ ~~is transferred to and~~ and that is transferred by the FMA or the RBNZ to the DIA is held by the DIA; and

(b) all rights, liabilities, entitlements, and engagements of the FMA or the RBNZ in relation to the function become the rights, liabilities, entitlements, and engagements of the DIA; and

(c) all directions to the FMA or the RBNZ that relate to the function or power and that are in force immediately before the commencement become directions to the DIA; and

(d) anything done, omitted to be done, or that is to be done in relation to the function or power by, or in relation to, the FMA or the RBNZ is to be treated as having been done, having been omitted to be done, or to be done by, or in relation to, the DIA; and

(e) the commencement, continuation, or enforcement of a proceeding relating to the function or power by or against the FMA or the RBNZ may instead, with the agreement of the FMA or the RBNZ, as relevant, be carried out by or against the DIA without amendment to the proceeding; and

(f) a matter or thing relating to the function or power that would, but for this clause, have been completed by the FMA or the RBNZ may be completed by the DIA.

(3) On and after commencement, property identified by the FMA or the RBNZ as being owned by the FMA or the RBNZ solely or principally for the purposes of the function or power and that should be transferred to the DIA is vested in the DIA.

(4) The transfer of information from the FMA or the RBNZ to the DIA under **subclause (2)(a)** does not constitute an action that is a breach of information privacy principle 8 or 11 (as set out in section 22 of the Privacy Act 2020).

10 Restriction on compensation for technical redundancy

(1) An employee of the FMA or the RBNZ is not entitled to receive any payment or other benefit on the ground that the position held by the employee in the FMA or the RBNZ has ceased to exist if—

(a) the position ceases to exist as a result of a transfer of a function or power from the FMA or the RBNZ to the DIA as referred to in **clause 9**; and

(b) in connection with that transfer of a function or power,—

(i) the employee is offered equivalent employment in the DIA (whether or not the employee accepts the offer); or

(ii) the employee is offered, and accepts, other employment in the DIA.

(2) In this clause, **equivalent employment**, in relation to the employee's employment in the FMA or the RBNZ is employment in the DIA that is—

(a) in substantially the same position; and

(b) in the same general locality; and

(c) on terms and conditions of employment that are no less favourable than those that applied to the employee immediately before the offer of equivalent employment (including any service-related, redundancy, and superannuation conditions).

11 Employment of transferred employee to be treated as continuous employment

(1) The employment of a transferred employee by the DIA is to be treated as continuous employment for the purposes of any legislation.

(2) In this clause, **transferred employee** means a person referred to in **clause 10** who has been offered and has accepted employment in the DIA.

Savings provisions relating to secondary legislation

12 Saving of secondary legislation provisions for purpose of revocation

(1) This clause applies to a secondary legislation provision in the Act repealed by the amendment Act as it was immediately before commencement.

(2) The secondary legislation provision remains in force after commencement for the purpose of revoking any secondary legislation made under it.

13 Saving of secondary legislation made before commencement

(1) This clause applies to any secondary legislation made before commencement.

(2) The secondary legislation—

(a) remains in force after commencement; and

(b) may be revoked as provided for in **clause 12(2)** (but not amended) after commencement.

Schedule 2
Consequential amendments to principal Act

s 35

Section 3

In section 3(2), delete ", AML/CFT supervisors,".

Section 6

In section 6(4)(d)(ii)(I), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

Section 10

In section 10, replace "regulations" with "rules made under **section 156B**" in each place.

Section 13

In section 13(b), replace "regulations" with "rules made under **section 156B**".

Section 14

In section 14(1)(d) and (3), replace "regulations" with "rules made under **section 156B**".

Section 15

In section 15(f), replace "regulations" with "rules made under **section 156B**".

Section 18

In section 18(1)(c), (2)(q), and (3A), replace "regulations" with "rules made under **section 156B**".

Section 19

In section 19(1)(d), replace "regulations" with "rules made under **section 156B**".

Section 22

In section 22(1)(e) and (6), replace "regulations" with "rules made under **section 156B**".

Section 23

In section 23(1)(b), replace "regulations" with "rules made under **section 156B**".

Section 24

In section 24(1)(c), replace "regulations" with "rules made under **section 156B**".

Section 27

In section 27(1)(d), replace "regulations" with "rules made under **section 156B**".

Section 27—*continued*

Replace section 27(3) with:

(3) A reporting entity may, by notice made under **section 156E or 156F**, be exempted from the obligation to provide some or all of the information set out in subsection (1) in relation to a specified transfer or transaction.

Section 28

In section 28(1)(b), replace "regulations" with "rules made under **section 156B**".

Section 29

In section 29(2)(g), replace "regulations" with "rules made under **section 156B**".

In section 29(3)(d) and (e), replace "regulations" with "notice made under **section 156F**".

Section 30

In section 30(b), replace "regulations" with "rules made under **section 156B**".

Section 31

In section 31(4)(c), replace "regulations" with "rules made under **section 156B**".

Section 32

In section 32(1)(a) and (b), replace "regulations" with "rules made under **section 156B**".

In section 32(1A), replace "regulations" with "rules made under **section 156C**".

In section 32(2), replace "and regulations" with ", rules, and regulations".

In section 32(3), replace "An AML/CFT supervisor for a reporting entity that is part of a designated business group may require the reporting entity" with "The AML/CFT supervisor may require a reporting entity that is part of a designated business group".

Section 33

In section 33(1), (2)(c) and (e), and 3A(b) and (d), replace "regulations" with "rules made under **section 156B**".

Section 34

In section 34,—

(a) replace "prescribed by regulations" with "prescribed by rules made under **section 156B**"; and

(b) replace "this Act or regulations" with "this Act or rules".

Section 35

In section 35, replace "and regulations" with ", regulations, and rules".

Section 39

In section 39(3)(c), replace "regulations" with "rules made under **section 156B**".

Section 48

In section 48, replace "An AML/CFT supervisor that has, in the performance and exercise of its functions and powers under this Act, obtained personal information about employees or senior managers may disclose that information" with "The AML/CFT supervisor may disclose personal information about employees or senior managers obtained in the performance and exercise of its functions and powers under this Act".

Section 48A

In section 48A, replace "regulations made under section 154" with "notice made under **section 156F**".

Section 48B

Replace section 48B(1)(a) with:

(a) be in the appropriate approved form (if any); and

In section 48B(1)(b)(vi), replace "regulations made under section 153(c)" with "rules made under **section 156C**".

Section 49

In section 49(2)(g), replace "regulations" with "rules made under **section 156B**".

In section 49(3)(b), replace "for the reporting entity, or the Commissioner," with "or the Commissioner".

Section 49A

In section 49A(2)(b), replace "for the reporting entity, or the Commissioner," with "or the Commissioner".

Section 51

In section 51(1)(d), replace "regulations made under section 153" with "rules made under **section 156B**".

In section 51(3), replace "its AML/CFT supervisor" with "the AML/CFT supervisor".

Section 52

In section 52(b), replace "regulations" with "rules made under **section 156B**".

Section 57

In section 57(2), replace "AML/CFT supervisors" with "the AML/CFT supervisor".

Section 58

In section 58(2)(g), replace "AML/CFT supervisors" with "the AML/CFT supervisor".

In section 58(2)(h), replace "regulations" with "rules made under **section 156B**".

In section 58(3)(c), replace "and regulations" with ", regulations, and rules".

Section 59

In section 59(2),—

(a) replace "regulations" with "rules made under **section 156B**"; and

(b) delete "relevant".

Section 59A

In section 59A,—

(a) after "regulations", insert "or rules"; and

(b) delete "relevant".

Section 59B

In section 59B(5), replace "its AML/CFT supervisor" with "the AML/CFT supervisor".

Section 61

In section 61(1), replace "regulations" with "rules".

In section 61(2)(a), replace "its AML/CFT supervisor" with "the AML/CFT supervisor".

Section 68

In section 68(1)(c), replace "regulations" with "by notice made under **section 156G**".

Section 69

In section 69(c), replace "regulations" with "by notice made under **section 156G**".

Section 72

In section 72(2)(b), delete "relevant".

Section 76

In the heading to section 76, replace "**supervisors**" with "**supervisor**".

In section 76,—

(a) replace "an AML/CFT supervisor" with "the AML/CFT supervisor" in each place; and

Section 76—*continued*

(b) replace "officer, employee, member of, or member of the board of," with "officer, employee, or agent of".

Section 77

In section 77, replace "or regulations" with ", regulations, or rules".

Section 79

In section 79, delete "relevant".

Section 80

In section 80(1), delete "relevant".

In section 80(2)(a), replace "prescribed" with "approved".

In section 80(2)(b), replace "regulations" with "rules made under **section 156B**".

Section 81

In section 81(1),—

(a) delete "relevant"; and

(b) replace "or regulations" with ", regulations, or rules".

In section 81(2), delete "relevant".

Section 82

In section 82(1), delete "relevant" in each place.

Section 85

In section 85(1), delete "relevant".

Section 87

In section 87(1), delete "relevant".

Section 89

In section 89(1), delete "relevant".

Section 90

In section 90(1), delete "relevant".

Section 102

In section 102,—

(a) replace "any AML/CFT supervisor" with "the AML/CFT supervisor"; and

(b) replace "that supervisor" with "the AML/CFT supervisor"; and

(c) replace "or regulations" with ", regulations, or rules".

Section 103

In section 103, replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

Section 116

In section 116, definition of **enforcement officer**,—

(a) delete "relevant"; and

(b) replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

Section 124

In section 124(2), delete "relevant".

Cross-heading above section 130

In the cross-heading above section 130, replace "*supervisors*" with "*supervisor*".

Section 134

In section 134(1), replace "An AML/CFT supervisor" with "The AML/CFT supervisor".

Section 137

Repeal section 137(2) to (5).

In section 137(6), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

In section 137(7), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

Section 138

In section 138,—

(a) replace "An AML/CFT supervisor" with "The AML/CFT supervisor"; and

(b) after "that information", insert ", including that it may be used for the purposes of this Act".

Section 139

In section 139(1), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

In section 139(2), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

Section 140

In section 140(1),—

(a) replace "an AML/CFT supervisor" with "the AML/CFT supervisor"; and

(b) replace "or AML/CFT supervisor" with "or the AML/CFT supervisor".

Section 141

In section 141(1), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

In section 141(2), replace "An AML/CFT supervisor" with "The AML/CFT supervisor".

In section 141(3)(b), delete "relevant".

Cross-heading above section 149

Replace the cross-heading above section 149 with:

Role of Ministry

Cross-heading above section 153

In the cross-heading above section 153, after "*Regulations*", insert "*and levies*".

Section 158

In section 158(a),—

(a) replace "Ministers" with "Minister"; and

(b) replace "supervisors" with "supervisor".

Section 159A

In section 159A(1), replace "an AML/CFT supervisor" with "the AML/CFT supervisor".

Schedule 3
Consequential amendments to other enactments

s 36

Financial Markets Authority Act 2011 (2011 No 5)

In section 4(1), definition of **law enforcement or regulatory agency**, after paragraph (h), insert:

> (ha) the public service agency (as defined in section 5 of the Public Service Act 2020) that, with the authority of the Prime Minister, is for the time being responsible for the supervision of reporting entities under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009:

In Schedule 1, Part 2, repeal the item relating to the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

Reserve Bank of New Zealand Act 2021 (2021 No 31)

In section 5(1), repeal the definition of **AML Act**.

In section 5(1), definition of **direction**, replace ", the prudential legislation, or the AML Act" with "or the prudential legislation".

In section 5(1), definition of **law enforcement or regulatory agency**, paragraph (a), after "Financial Markets Conduct Act 2013", insert ", the Anti-Money Laundering and Countering Financing of Terrorism Act 2009".

In section 10(1)(f)(ii), delete "the AML Act,".

In section 10(1)(i), delete "the AML Act,".

Repeal section 13(c).

In section 26, delete "the AML Act,".

Repeal section 50(c).

In section 59(1)(a), replace ", any prudential legislation, or the AML Act" with "or any prudential legislation".

In section 59(2)(a), replace ", any prudential legislation, or the AML Act" with "or any prudential legislation".

Legislative history

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