

Ministerial Exemptions Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009

In accordance with section 157(6)(b) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“Act”), the Associate Minister of Justice gave notice on 15 March 2021 that he has granted the following exemption from the Act:

Ministerial Exemption: InLoop Pty Ltd

Exempting InLoop Pty Ltd (“InLoop”) from the following provisions of the Act:

- a. sections 10–71 inclusive.

The exemption only applies to the Flexischools service provided by InLoop.

This exemption is made subject to the following conditions:

- a. the exemption for InLoop Pty Ltd relates only to current business activities conducted in New Zealand, specifically the Flexischools offering;
- b. InLoop Pty Ltd must inform the Ministry of Justice of any changes that may affect the exemption and/or conditions imposed by this written instrument within 14 days from when the change affecting the exemption occurs.

This exemption has been made for the following reasons:

- a. Flexischools is an online ordering service which allows schools to operate services (e.g. canteen services) on a no-cash basis. Parents/carers of school students can open a Flexischools Account and deposit funds to be used to make payments for the relevant services offered by the school.
- b. Funds in a Flexischools Account can only be directed towards the relevant service provider of the school or college the student attends. This creates a ‘closed-loop’ environment, as funds cannot be used for any purpose outside the Flexischools service when they are in the Flexischools Account.
- c. InLoop have low customer numbers with only one New Zealand school using the Flexischools system. The customer base is further restricted to parents or carers of students who attend the one New Zealand school which utilises the Flexischools system.
- d. The products that can currently be purchased using the Flexischools service in New Zealand are not readily convertible to cash or re-sellable. The one New Zealand school only uses the Flexischools service to facilitate purchase of canteen/catering products.
- e. Account balances are generally low, and deposits range from \$20 to a few hundred dollars.

This exemption comes into force on 9 March 2021.

This exemption will expire on 9 March 2026.

Any person wishing to provide comment on this notice should contact the Terrorism and Law Enforcement Stewardship Team at the Ministry of Justice by emailing amlcft.exemptions@justice.govt.nz.