

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 6 April 2020 that he has granted the following exemption from the Act:

Ministerial Exemption: Russell Investment Group Limited

Exempting Russell Investment Group Limited (RIGL) from the requirement in section 56(2) of the Act that the AML/CFT compliance officer for a reporting entity must be one of its employees.

The exemption is made to allow an Australian-based compliance officer who is not an employee of RIGL to be its AML/CFT compliance officer.

In this exemption, unless the context otherwise requires:

- Australian-based compliance officer means an AML/CFT compliance officer in Russell Investments’ Australian compliance team;
- RIGL means Russell Investment Group Limited;
- Russell Investments means the global asset manager of that name.

This exemption is made subject to the following conditions:

- a. The Australian-based compliance officer must maintain a strong relationship with RIGL’s management and have clear reporting lines;
- b. RIGL’s staff in New Zealand must be able to have access to the Australian-based compliance officer to report suspicious circumstances that may arise;
- c. The Australian-based compliance officer must maintain appropriate qualifications and knowledge, and proper access to key information and adequate resources; and
- d. RIGL must inform the Ministry of Justice of any changes that may affect the exemption within 10 working days of when the change occurs.

The exemption has been made for the following reasons:

- a. granting this exemption would have little to no impact on the prevention, detection and prosecution of money laundering/terrorist financing offences because it is limited to allowing an Australian-based compliance officer to act as RIGL’s AML/CFT compliance officer. The Australian-based compliance officer will administer and maintain RIGL’s AML/CFT compliance programme while its ordinary compliance officer is on parental leave.
- b. there are low risks of money laundering and terrorist financing associated with this specific exemption, and it will allow Russell to use its existing Australasian compliance expertise in the New Zealand AML/CFT regime;

- c. in the absence of an exemption, RIGL would have to designate an employee of RIGL as AML/CFT compliance officer. This would subject RIGL to an undue compliance burden because there are experienced AML/CFT compliance resources at Russell's Australian compliance team readily available for RIGL;
- d. the exemption does not create an unfair advantage for the reporting entity or disadvantage third party reporting entities because it is limited in scope and duration; and
- e. the exemption does not derogate from the integrity of, and compliance with, the AML/CFT regulatory regime.

This exemption comes into force on 16 March 2020.

This exemption will expire on 28 February 2025.

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.