

# AML/CFT

## Levy proposals

March/April 2026

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# Context

- 2021 Mutual Evaluation and 2022 Statutory Review
- AML/CFT (Supervisor, Levy and Other Matters) Amendment Bill
- National Strategy and Work Programme

# Working together to tackle crime

- Collaboration and an ongoing partnership between businesses and Government.
- A shared effort will lead to stronger outcomes and a more effective and resilient system for everyone.

# Why this levy matters for businesses

- Enables the risk-based approach
- Provides clearer rules and guidance
- Improves regulator responsiveness
- Protects your business and supports global credibility

# Changes that you can expect

## Shift from:

Supervisor

## Shift to:

Stewardship  
focussed regulator

*We are shifting our approach from that of a traditional supervisor to an AML/CFT regulatory system steward.*

Siloed

Integrated

*We are shifting from fragmented ways of working to an integrated, end-to-end approach enabled by a coherent operating model.*

Activities focus

Impact focus

*We are shifting from an activity-driven approach focused on distributed compliance processes and outputs, to an impact-driven approach that targets what will make the greatest difference to the AML/CFT system.*

Functional  
Relationships

Trusted  
partnerships

*We are shifting from transactional, function-based relationships to trusted partnerships grounded in shared purpose and mutual accountability.*

Intelligence provision

Intelligence driven

*We are shifting from providing intelligence as an input to using intelligence as a driver of decisions and action.*

# An intelligence led system

- Improved system intelligence
- Data automation for PTR and SARs
- More risk products
- Protects your business and supports global credibility

# What is recoverable?

- The levy covers:
  - a portion of costs incurred by agencies performing or exercising their functions, powers, and duties under the Act;
  - a portion of any additional costs associated with giving effect to national strategy and work programme; and
  - the full costs of collecting the levy money.
- Minister must determine whether the whole or a portion of the costs will be met by levies

# Approach to cost recovery

- Club and public goods – benefits and risks exacerbators
- Cost recovery principles
  - Transparency
  - Justifiability
  - Efficiency
  - Equity

# Costs - Total

Total estimated costs for the levy period

- Work programme and functions under the Act

2026/27	2027/28	2028/29	2029/30
\$22.549 m	\$22.481 m	\$23.000 m	\$22.971 m

# Costs - DIA

2026/27	2027/28	2028/29	2029/30
\$14.487 m	\$12.047 m	\$12.049 m	\$12.049 m

## Expected benefits to reporting entities

- Timely guidance to support meeting obligations
- More training and outreach activities
- Support with implementing Targeted Financial Sanctions obligations
- More Codes of Practice providing legislative safe harbour for compliance

# Costs – Police (FIU)

2026/27	2027/28	2028/29	2029/30
\$6.337 m	\$7.337 m	\$7.794 m	\$7.756 m

## Expected benefits to reporting entities

- Improved frequency of intelligence products leading to better understanding of risk, enabling efficient allocation of resources to address risk
- Better support in filing of suspicious reports
- More efficient processes for submitting reports
- Better information sharing between private and public agencies to combat threats - FCPN

# Costs – Ministry of Justice

2026/27	2027/28	2028/29	2029/30
\$1.725 m	\$3.097 m	\$3.157 m	\$3.166 m

## Expected benefits to reporting entities

- Better private sector input into the system through the established of a system wide public-private forum
- Continued representation and advocacy of New Zealand's perspective in international forums
- Timely processing of exemption requests
- Improved monitoring of the system leading to timely identification of issues

# 2026/27 deficit

- Levy collection starts from 1 July 2027
- 2026/27 to be funded via a deficit - \$22.549m
- Deficit recovery options:
  - 2026/27 deficit recovered over 5 years: \$4.51m p/a; OR
  - Recovered in 2027/28: \$45.297m in one financial year

2027/28	2028/29	2029/30	Three-year average
\$26.990 m	\$27.510 m	\$27.481 m	\$27.327 m

# Who pays?

High risk, and medium to high-risk sectors

High risk sectors	Medium-high risk sectors
Banks	Casinos
Virtual asset service providers	TAB
Money remitters	Real estate agents
Trust or company service providers	Accountants
Derivatives issuers	Law firms/lawyers (excluding barristers sole)
	Payment providers
	Currency exchanges
	Conveyancers
	Provider of client money or property service

# Banks

- Proposal is to recover 85% of costs, approx. \$23.228 m
  - Each bank's share determined by the value of reported assets
  - Levy rate set between 0.001% and 0.005%
  - Based on current asset values, 0.00322% raises \$23.380 million
- Banks have the highest inherent risks, and the National Risk Assessment 2024 estimates that over 95% of money passes through banks.

# Gambling

- Proposal is to recover 9% of costs, approx. \$2.484 m
  - Each entity's share determined by annual expenditure/player loss data reported to DIA
  - Levy rate set between 0.125% and 0.5%
  - Based on 2023/24 data, 0.258% raises \$2.487
- Casinos and TAB are medium-high risk.

# FIs and DNFBPs

- Proposal is for Financial Institutions & DNFBPs to recover 6% of costs – approx. \$1.615m
- Three options for the levy for this group:
  1. Flat rate - \$404 per RE
  2. Risk based, flat rate – from \$230 to \$3,300
  3. Risk based, banded – from \$359 to \$10,359

# FIs and DNFBPs – option 1

- Flat rate \$404 per entity – estimated to be around 4,000

\$1.615 m

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*4,000 entities required to submit an AR*

# FIs and DNFPBs – option 2

- Option 2 – flat rate, but based on number of compliance assessments per sector

The calculation for the flat fee for a sector is set out below.

$$\frac{\left( \left[ \frac{\text{no. assessments}}{\text{total no. of assessments}} \times 100 \right] \times \$1.615 \text{ m} \right)}{\text{No. of supervised entities in the sector}}$$

# FIs and DNFPBs – option 3

- A variation on option two
- Sets out in bands
- Payment providers:

Band	Estimated no. of REs	Levy rate for band
\$1 to \$99.999 m	37	-
\$100.000 m to \$999.999 m	17	\$1,272
\$1.000 b and above	6	\$3,603

# FIs and DNFPBs – option 3

- Real Estate Agents

Band	Estimated no. of REs	Levy rate for band
\$1 to \$9.999 m	246	-
\$10.000 m to \$49.999 m	204	\$351
\$50.000 m and above	196	\$678

- Providers of client money or property services

Band	Estimated no. of REs	Levy rate for band
\$1 to \$99.999	32	-
\$100.000 m to \$99.999 m	12	\$1,507
\$1.000 b and above	33	\$2,191

# FIs and DNFPBs – option 3

- Derivative issuers

Band	Estimated no. of REs	Levy rate for band
\$1 to \$9.999 m	7	-
\$10.000 m and above	5	\$3,930

- Accounting Service Providers

Band	Estimated no. of REs	Levy rate for band
1 to 99 customers	912	-
100 to 499 customers	206	\$777
500 to 1,000 customers	17	\$5,988
1,001 customers and above	3	\$9,695

# FIs and DNFPBs – option 3

- Barrister and Solicitor

Band	Estimated no. of REs	Levy rate for band
1 to 99 customers	75	-
100 to 499 customers	23	\$564
500 to 1,000 customers	3	\$1,965
1,001 customers and above	2	\$2,358

- Law firms

Band	Estimated no. of REs	Levy rate for band
1 to 499 customers	316	-
500 to 1,000 customers	133	\$1,779
1,001 customers and above	142	\$3,094

# FIs and DNFPBs – option 3

- Trusts and company service providers

Band	Estimated no. of REs	Levy rate for band
1 to 99 customers	99	-
100 to 499 customers	12	\$2,162
500 to 1,000 customers	2	\$4,716
1,001 customers and above	2	\$5,896

- Virtual asset service providers

Band	Estimated no. of REs	Levy rate for band
\$1 to \$9.999 m	10	-
\$10.000 m and above	7	\$10,107

# FIs and DNFPBs – option 3

- Remittance

Band	Estimated no. of REs	Levy rate for band
\$1 to \$99.999 m	57	-
\$100.000 m to \$999.999 m	21	\$3,481
\$1.000 b and above	5	\$9,747

- Currency Exchanges

Band	Estimated no. of REs	Levy rate for band
\$1 to \$9.999 m	12	-
\$10.000 m to \$99.999 m	7	\$1,348
\$100.000 m and above	2	\$3,144

# Feedback Sought



## Cost recovery principles

1. Do you agree with how we have categorised costs to be club goods? If not, why?
2. What is your preferred period to recover the deficit from 2026/27 and why?
  - a) Spread over 5 years
  - b) Lump sum in 27/28 financial year

## The levy

3. What are your views on our proposal for who should pay the levy and why?
4. Would the introduction of a levy incentivise reporting entities to take steps to reduce their risk to the AML/CFT system?

# Feedback Sought



## **Banks**

5. What are your views on the proposals made for banks and why? What would be your alternative approach?
6. What impacts would the levy proposals have on banks, and what implications would there be for their customers? Please explain the rationale and impact on individual customers of banks.

## **Casinos and the TAB**

7. What are your views on the proposals made for casinos and the TAB and why? What would be your alternative approach?
8. What impact would the proposals have on your business?

## **Financial Institutions and DNFBPs**

9. Between the three options which one do you prefer and why? Or do you have an alternative approach?
10. What is the likely impact of the options on your business? How likely is it to change any business practices?

# How to make submission

- Online: <https://consultations.justice.govt.nz/>
- Email: [aml@justice.govt.nz](mailto:aml@justice.govt.nz)
- Post: AML/CFT policy, Ministry of Justice – National Office, DX SX10088, Wellington.

Please make your submission by 5.00pm on Friday 10 April 2026.

# Your questions?

If you have any questions after today, please email  
[aml@justice.govt.nz](mailto:aml@justice.govt.nz)