

AML/CFT Levy Proposals

Final Q&A session
8 April 2026

Today's session

- Session purpose
- Common questions we heard
- Your final questions
- How to make a written submission and reminder of what feedback we are seeking
- Next steps

FAQ – Who Pays

Impact of changes to Sector and National Risk Assessments during levy period

If your risk rating is to change over the levy period, it would not impact on your levy. Any change would be considered in the next levy round and dependent on the design of the levy for the next round.

FAQ – FI and DNFBPs

Who is in and out of different options?

Bookkeepers, payroll, PAYE, Accounting service providers – Tax transfers are not levied under Options 2 and 3, but would be levied under Option 1.

How the levy would apply to entities that submit more than one annual report?

We will consider this during the advice stage, but for now, our position is that the levy is tied to the annual report and risks posed to the AML/CFT system. We welcome submissions on this.

FAQ – FIs and DNFBPs

How does the levy apply to Designated Business Groups?

The levy would apply to the reporting entity that has to submit an annual report. The DBG mechanism is about ensuring that reporting entities can share resources or tools/structures to help them meet their obligations under the AML/CFT Act. If a reporting entity still needs to submit an annual report, the risk it carries remains, which is why they still need to submit an annual report and would need to pay the levy.

FAQ – FIs and DNFBPs

What about DBG which share reporting data/overlaps in reporting data?

For now, our view is that the levy is tied to the entity's annual report. We welcome submissions on impacts and any alternative approaches.

Different annual reports between sectors

This should not affect the levy determination as the annual report data has been used to determine the metrics to use. Suggestions for better metrics are welcomed through submission.

FAQ – FIs and DNFBPs

Clarify size of pools in Option 3 vs Option 2 for law firms

For law firms there was a mistake in Table 20 for 1 - 499 customers. It currently states 316, but it should state 742.

There is also a discrepancy in the number of reporting entities between Options 2 and 3. As annual reporting is self-reported, the number of reporting entities that have provided detailed information are fewer in number.

FAQ – FIs and DNFBPs

Clarify size of pools in Option 3 vs Option 2 for law firms

Band	Estimated no. of REs	Levy rate for band
1 to 499 customers	742*	-
500 to 1,000 customers	133	\$1,779
1,001 customers and above	142	\$3,094

*number updated from Consultation Document

FAQ – FI and DNFBPs

What is the meaning of compliance assessments used for option 2 and 3?

This is either an onsite inspection or desk-based review of a reporting entity.

Compliance assessments – is that annual or over a period of time?

The number of compliance assessments used is from 2023/24 to 2024/25.

FAQ – Option 3 metrics

Use of customers – is it the total number of AML customers or only customers in that financial year?

This is the number of customers reported in the annual report to the supervisor for that specific year.

Clarify metrics for option 3 – annual transactions

This is the gross value of transactions that are reported in the annual report to the supervisor for that specific year.

Is the levy per RE or per customer?

Levy is set per Reporting Entity. Customers numbers are used in option 3 to determine the bands/tiers

FAQ – Use of number of customers

Number of customers used for as metric for DNFBPs

The levy metric for the “number of customers” is derived from question 8.1 of DNFBP Annual Report form in Regulations.

In its DNFBP Annual Report User Guide, DIA interprets this question to mean the number of times that CDD was conducted on a person. This includes both a new customer onboarded or a customer subject to an ongoing CDD process. If there are multiple individuals subject to CDD (for example beneficial owners of a customer), the DIA requests these are counted separately in the reported total.

DNFBPs are not required to include customers for whom there was no CDD process undertaken during the year, or required to report customers to whom there are no captured activities provided.

Note: There is no equivalent question in the Financial Institution and Casino form in Regulations. Instead, question 7.1 asks for an “Estimate of the number of customers your reporting entity had a business relationship with during the year”. In the Supervisors Financial Institution Annual Report User Guide, this is interpreted to mean all customers, including inactive customers. For financial institutions and casinos, we are not proposing to use the number of customers as a metric for the levy.

FAQ – FI categorisation by sector

How the legislative language (AML activities) aligns with the proposed Financial Institution groups?

The AML/CFT Act prescribes who is a financial institution (and reporting entity) by the activities carried out in the ordinary course of business. This is different to the way that the supervisors categorise financial institutions which is by sector (for example: money remittance, virtual asset service provider, derivatives issuer).

The latter supports the application of risk-based supervision, enabling supervisors to allocate more supervisory resource where the risks are higher. For the purpose of the levy, our intention is to use the supervisor categorisation rather than to categorise based on which specified activities in the AML/CFT Act are carried out (which for many financial institutions will be multiple activities at any one time).

The same issue does not arise for DNFBPs, for whom the AML/CFT Act defines as a law firm, accounting practice, trust and company service provider, real estate agent etc.

This question will be further considered as we develop advice and will be clarified when regulations are developed.

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

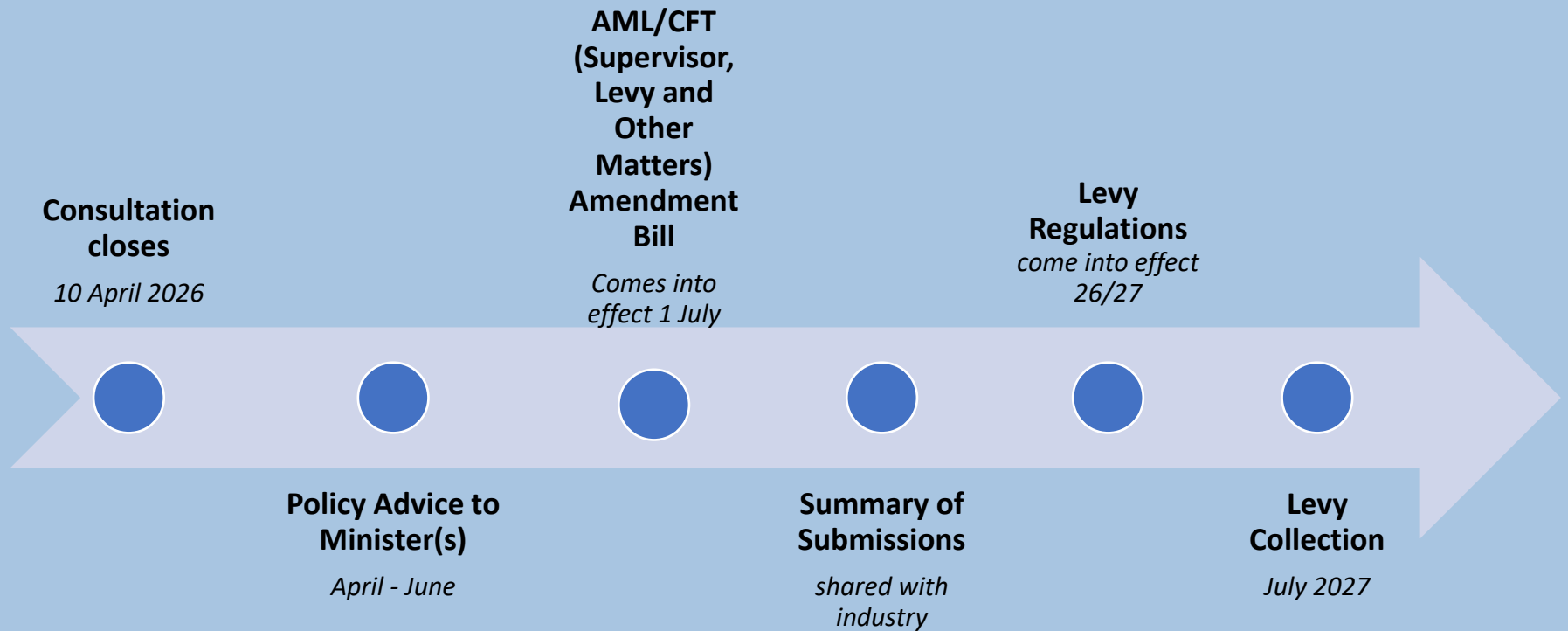
9. Between the three options which one do you prefer and why? Or do you have an alternative approach?
10. What is the likely impact of the options on your business? How likely is it to change any business practices?

How to make submission

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

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

Engagement and levy timeline



Thank you for your time