



Australian Government

Australian Transaction Reports  
and Analysis Centre

# AUSTRAC ANNUAL REGULATORY PLAN 2013-14

## Planned Regulatory Actions

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	Post-Implementation Review of AML/CTF Rules
<b>Type of entry</b>	<b>Planned Regulatory Action</b>
<b>Type of action</b>	Review of existing instrument
<b>Description of action</b>	Post-Implementation Review – AML/CTF Rules relating to the cancellation or suspension of registration of a remittance dealer
<b>Consultation opportunities</b>	Consultation will take place in the first half of 2013-14
<b>Industry</b>	
<b>Level of impact</b>	Low
<b>Expected timeframe</b>	It is expected that the post-implementation review will be finalised in the 2 <sup>nd</sup> quarter, 2013-14
<b>Contact details</b>	Acting Director Domestic Policy AUSTRAC PO Box 13173 LAW COURTS, MELBOURNE VIC 8010 Email: <a href="mailto:policy_consultation@austrac.gov.au">policy_consultation@austrac.gov.au</a>
<b>Date last modified</b>	1 July 2013

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	Determination of 2014-15 AUSTRAC supervisory levy
<b>Type of entry</b>	<b>Planned Regulatory Action</b>
<b>Type of action</b>	New instrument
<b>Description of action</b>	<p>AUSTRAC recovers the costs of regulating reporting entities under the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (AML/CTF Act) on an annual basis. This cost recovery regime is in line with the Australian Government's Cost Recovery Guidelines and similar funding arrangements of other regulators.</p> <p>The amount of levy payable by a leviable entity for the 2014–15 financial year will be determined by the Minister in a legislative instrument known as a Ministerial Determination in late June 2014, and will be made available on the AUSTRAC website at <a href="http://www.austrac.gov.au/cost_recovery.html">http://www.austrac.gov.au/cost_recovery.html</a> at that time.</p> <p>The 2014–15 census day will be 1 July 2014.</p>

<b>Consultation opportunities</b>	AUSTRAC will release an exposure draft of the Cost Recovery Impact Statement (CRIS) for the 2014-15 financial year in the second quarter of 2014. The draft document will outline AUSTRAC's supervisory levy model and charging structure. There will be a period for consultation on the CRIS following the publication.
<b>Industry</b>	
<b>Level of impact</b>	High
<b>Expected timeframe</b>	It is expected that for the 2014-15 levy, entities will be invoiced in July/August 2014 shortly after the census day.
<b>Contact details</b>	Director Financial Services AUSTRAC PO Box 5516 WEST CHATSWOOD NSW 1515 Email: cost_recovery@austrac.gov.au
<b>Date last modified</b>	1 July 2013

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	Statutory review of the supervisory levy
<b>Type of entry</b>	<b>Planned Regulatory Action</b>
<b>Type of action</b>	Review of existing instrument
<b>Description of action</b>	The cost recovery legislation requires that an independent review of the operation of the supervisory levy be undertaken as soon as possible after 1 July 2013.
<b>Consultation opportunities</b>	Consultation will be conducted with affected entities.
<b>Industry</b>	
<b>Level of impact</b>	High
<b>Expected timeframe</b>	The 1 <sup>st</sup> half of 2013-14.
<b>Contact details</b>	Senior Manager, Planning and Strategic Initiatives AUSTRAC PO Box 5516 WEST CHATSWOOD NSW 1515
<b>Date last modified</b>	1 July 2013

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	Review of section 47 compliance reporting framework
<b>Type of entry</b>	<b>Planned Regulatory Action</b>
<b>Type of action</b>	Review of existing instrument
<b>Description of action</b>	Since 2007, section 47 of the AML/CTF Act has required reporting entities to submit a compliance report to AUSTRAC. AUSTRAC is

	reviewing the existing compliance reporting framework.
<b>Consultation opportunities</b>	Consultation will be conducted with affected entities.
<b>Industry</b>	
<b>Level of impact</b>	High
<b>Expected timeframe</b>	The 1 <sup>st</sup> half of 2013-14.
<b>Contact details</b>	Senior Manager, Planning and Strategic Initiatives AUSTRAC PO Box 5516 WEST CHATSWOOD NSW 1515
<b>Date last modified</b>	1 July 2013

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	Customer Due Diligence obligations
<b>Type of entry</b>	<b>Planned Regulatory Action</b>
<b>Type of action</b>	Review of existing instrument
<b>Description of action</b>	<p>Compliance with obligations imposed by Recommendation 10 (Customer Due Diligence) of the Financial Action Task Force (FATF).</p> <p>Options are being considered to strengthen customer due diligence requirements for reporting entities, particularly in relation to identifying beneficial ownership and control of legal persons and entities. The proposed reforms seek to bring Australia's regime into closer alignment with revised FATF Recommendation 10 (previously Recommendation 5) and address vulnerabilities created by inconsistencies in current industry practice.</p>
<b>Consultation opportunities</b>	<p>A Discussion Paper was released on 20 May 2013. The period of consultation will close on 30 September 2013.</p> <p>Following review of stakeholder submissions, it is anticipated that proposed reforms may be implemented through amendments to the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (the AML/CTF Rules) with complementary guidance to reporting entities.</p> <p>Consultation on draft Rules will be announced on the AUSTRAC website at <a href="http://www.austrac.gov.au/aml_ctf_rules.html">http://www.austrac.gov.au/aml_ctf_rules.html</a>.</p>
<b>Industry</b>	
<b>Level of impact</b>	High
<b>Expected timeframe</b>	Consultation will be conducted between May 2013 and September 2013.
<b>Contact details</b>	Discussion paper – Customer Due Diligence Reform International Policy Legal and Policy Branch AUSTRAC PO Box 5516 WEST CHATSWOOD NSW 1515

	Fax: 02 9950 0054 Email: <a href="mailto:CDD_Consultation@austrac.gov.au">CDD_Consultation@austrac.gov.au</a>
<b>Date last modified</b>	1 July 2013

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	Chapter 38 of the AML/CTF Rules
<b>Type of entry</b>	<b>Planned Regulatory Action</b>
<b>Type of action</b>	amendment to existing instrument
<b>Description of action</b>	Consequential changes to Chapter 38 of the AML/CTF Rules (sale of shares for charitable purposes) arising from the <i>Australian Charities and Not-for-profits Commission Act 2012</i> .
<b>Consultation opportunities</b>	A public consultation period was open from 28 May 2013 to 25 June 2013 The Rules were made available on the AUSTRAC website <a href="http://www.austrac.gov.au/aml_ctf_rules.html">http://www.austrac.gov.au/aml_ctf_rules.html</a> .
<b>Industry</b>	
<b>Level of impact</b>	Low
<b>Expected timeframe</b>	These amendments may be made in the 2013/2014 financial year.
<b>Contact details</b>	Director AML/CTF Rules PO Box 13173 Law Courts MELBOURNE VIC 8010 Email: <a href="mailto:aml_ctf_rules@austrac.gov.au">aml_ctf_rules@austrac.gov.au</a>
<b>Date last modified</b>	1 July 2013

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	AML/CTF Rules being considered by AUSTRAC for registration
<b>Type of entry</b>	<b>Planned Regulatory Action</b>
<b>Type of action</b>	New instrument
<b>Description of action</b>	The following AML/CTF Rules are being considered for registration <b>Draft AML/CTF Rules exempting financial institutions from the applicable customer identification procedure in certain circumstances</b> These draft AML/CTF Rules exempt reporting entities providing designated services under item 2 (relating to allowing a person to become a signatory to an account) or item 3 (allowing a transaction to be conducted on an account) of the AML/CTF Act from conducting the applicable customer identification procedure in certain circumstances. A public consultation period was open from 22 November to 20 December 2011.

	<p><b>Draft AML/CTF Rules amending Chapter 4 (self-managed superannuation funds)</b></p> <p>These draft amendments amend Chapter 4 to ensure that reporting entities may no longer use the simplified trustee verification procedure in regard to self-managed super funds. A public consultation period was open from Tuesday 12 April to Tuesday 10 May 2011.</p> <p><b>Draft AML/CTF Rules amending Chapter 1 (key terms and concepts)</b></p> <p>These draft amendments replace the current definition of beneficial owner with a new definition relating to 'ultimate beneficial ownership'. A public consultation period was open from Thursday 11 August until Thursday 8 September 2011.</p> <p><b>Draft AML/CTF Rules on 'certain companies'</b></p> <p>Chapter 4.3 sets out the 'Applicable customer identification procedure with respect to companies'. Rule 4.3.2(2) states, 'in respect of certain companies, the name and address of any beneficial owner of the company has been provided'. The insertion of a definition for 'certain companies' provides clarification of this term as used in Chapter 4 of the AML/CTF Rules. A public consultation period was open from 17 June 2010 to 30 June 2010.</p> <p><b>Draft amendment of chapter 56 of the AML/CTF Rules</b></p> <p>These draft amendments will provide an alternative to the requirement that reporting entities obtain and retain a National Police Certificate in certain circumstances, for the purpose of assessing whether one of the key personnel of a reporting entity has any disclosable convictions. A public consultation period was open from Thursday 14 March 2013 to Thursday 11 April 2013.</p>
<b>Consultation opportunities</b>	These AML/CTF Rules were released for consultation prior to the 2013-14 financial year on the AUSTRAC website <a href="http://www.austrac.gov.au/aml_ctf_rules.html">http://www.austrac.gov.au/aml_ctf_rules.html</a> .
<b>Industry</b>	
<b>Level of impact</b>	High
<b>Expected timeframe</b>	The future development of these Rules will be dependent on the Australian Government position which will be developed as a result of the discussion paper <i>Consideration of possible enhancements to the requirements for customer due diligence</i> which was released on 20 May 2013. These proposals are currently under consideration. Changes to the AML/CTF Rules may occur during the 2013–14 financial year.
<b>Contact details</b>	Director AML/CTF Rules PO Box 13173 Law Courts MELBOURNE VIC 8010 Email: <a href="mailto:aml_ctf_rules@austrac.gov.au">aml_ctf_rules@austrac.gov.au</a>
<b>Date last modified</b>	1 July 2013

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	2013–14 AUSTRAC supervisory levy

Type of entry	Planned Regulatory Action
<b>Type of action</b>	New instrument
<b>Description of action</b>	<p>AUSTRAC recovers the costs of regulating reporting entities under the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (AML/CTF Act) on an annual basis. This cost recovery regime is in line with the Australian Government's Cost Recovery Guidelines and similar funding arrangements of other regulators.</p> <p>The amount of levy payable by a leviable entity for the 2013–14 financial year is set by the Minister in a legislative instrument known as a Ministerial Determination. The Ministerial Determination commenced in June 2013, and will be made available on the AUSTRAC website at <a href="http://www.austrac.gov.au/cost_recovery.html">http://www.austrac.gov.au/cost_recovery.html</a>.</p> <p>The 2013–14 census day will be 1 July 2013.</p>
<b>Consultation opportunities</b>	<p>AUSTRAC released an exposure draft of the Cost Recovery Impact Statement (CRIS) for the 2013–14 financial year for consultation on 23 April 2013. The consultation period ended on 21 May 2013. The draft CRIS outlines AUSTRAC's supervisory levy model and charging structure.</p>
<b>Industry</b>	
<b>Level of impact</b>	High
<b>Expected timeframe</b>	For the 2013–14 supervisory levy, entities will be invoiced in July/August 2013 shortly after the census day.
<b>Contact details</b>	<p>Director Financial Services  AUSTRAC  PO Box 5516  WEST CHATSWOOD NSW 1515  Email: <a href="mailto:cost_recovery@austrac.gov.au">cost_recovery@austrac.gov.au</a></p>
<b>Date last modified</b>	1 July 2013

## Past Regulatory Actions

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	Exemption under section 41A of the <i>Financial Transaction Reports Act 1988</i> (FTR Act)
<b>Type of entry</b>	<b>Past Regulatory Actions</b>
<b>Type of action</b>	New instrument
<b>Description of action</b>	A limited number of cash dealers are currently subject to account blocking obligations under the FTR Act. An account is required to be blocked with regard to withdrawals by one or more signatories to the account where required information has not been collected and a 'trigger event' occurs. An exemption has been made to relieve cash dealers and signatories to affected accounts from obligations in section 18 of the FTR Act.
<b>Industry</b>	
<b>Level of impact</b>	Medium
<b>Date of effect</b>	June 2013
<b>Contact details</b>	Director Domestic Policy PO Box 13173, Law Courts MELBOURNE VIC 8010 Email: Policy_Consultation@austrac.gov.au
<b>Date last modified</b>	1 July 2013

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	Anti-Money Laundering and Counter-Terrorism Financing Rules registered during 2012–13
<b>Type of entry</b>	<b>Past Regulatory Actions</b>
<b>Type of action</b>	New instrument
<b>Description of action</b>	<p><b><i>Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment Instrument 2012 (No. 4)</i></b></p> <p>Registered on 6 Sept 2012 and containing amendments to Chapter 27 (Register of providers of designated remittance services), Chapter 51 (Rules relating to Ordering and Beneficiary Institutions, Financial Institutions and Non- Financiers), Chapter 56 (Applications for remittance registration), Chapter 57 (Matters to be considered by the AUSTRAC CEO in regard to applications for registration) and Chapter 63 (Information to be contained in an enrolment application) and the addition of Chapter 68 (Records of identification procedures).</p> <p><b><i>Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment Instrument 2012 (No. 5)</i></b></p> <p>Registered on 20 Dec 2012 and containing amendments to Chapter 11 (Compliance reporting) and Chapter 41 (Exemption from applicable</p>

	customer identification procedures) of the AML/CTF Rules. <b><i>Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment Instrument 2013 (No. 1)</i></b> Registered on 15 April 2013 and containing amendments to Chapter 29 (Record-keeping obligations) and amending the relevant privacy notices in the AML/CTF Rules.
<b>Industry</b>	
<b>Level of impact</b>	High
<b>Date of effect</b>	AML/CTF Rules commence effect on the day following registration or on a date specified in the relevant AML/CTF Rules instrument.
<b>Contact details</b>	Director AML/CTF Rules PO Box 13173 Law Courts MELBOURNE VIC 8010 Email: aml_ctf_rules@austrac.gov.au
<b>Date last modified</b>	1 July 2013

<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	Guidance Notes published during 2012–13
<b>Type of entry</b>	<b>Past Regulatory Actions</b>
<b>Type of action</b>	Review of existing instrument
<b>Description of action</b>	AUSTRAC publishes Guidance Notes to assist reporting entities in meeting their regulatory obligations. AUSTRAC undertakes formal consultations on Guidance Notes in certain circumstances. The guidance notes may be accessed on the AUSTRAC website at: <a href="http://www.austrac.gov.au/guidance_notes.html">http://www.austrac.gov.au/guidance_notes.html</a> . Guidance Note 12/03 – “What constitutes a Remittance Network Provider” was published on the AUSTRAC website in January 2013. A limited consultation was conducted with eight Remittance Network Providers between 29 November 2012 and 14 December 2012.
<b>Industry</b>	
<b>Level of impact</b>	Medium
<b>Date of effect</b>	Guidance notes are current as at the date of publication of each guidance note.
<b>Contact details</b>	Director Technical Development and Advice AUSTRAC PO Box 5516 WEST CHATSWOOD NSW 1515 Email: guidance_note_submissions@austrac.gov.au
<b>Date last modified</b>	1 July 2013



<b>Portfolio Department</b>	Attorney-General's Department
<b>Responsible Area / Line Area</b>	AUSTRAC
<b>Title</b>	2012–13 AUSTRAC supervisory levy
<b>Type of entry</b>	<b>Past Regulatory Actions</b>
<b>Type of action</b>	New instrument
<b>Description of action</b>	<p>AUSTRAC recovers the costs of regulating reporting entities under the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (AML/CTF Act) on an annual basis. This cost recovery regime is in line with the Australian Government's Cost Recovery Guidelines and similar funding arrangements of other regulators.</p> <p>The amount of levy payable by a leviable entity for the 2012–13 financial year was determined by the Minister in a legislative instrument known as a Ministerial Determination on 18 June 2012, and will be made available on the AUSTRAC website at <a href="http://www.austrac.gov.au/cost_recovery.html">http://www.austrac.gov.au/cost_recovery.html</a>.</p> <p>The census date for 2012–13 was 1 July 2012.</p>
<b>Industry</b>	
<b>Level of impact</b>	High
<b>Date of effect</b>	Entities were invoiced from October 2012.
<b>Contact details</b>	<p>Director Financial Services  AUSTRAC  PO Box 5516  WEST CHATSWOOD NSW 1515  Email: <a href="mailto:cost_recovery@austrac.gov.au">cost_recovery@austrac.gov.au</a></p>
<b>Date last modified</b>	1 July 2013