



## **Anti-Money Laundering and Counter-Terrorism Financing (Exemption—Traditional Credit Union Limited) Instrument 2023 (No.3)**

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I, Jennifer Ermert, make the following instrument as a delegate of the AUSTRAC CEO.

Dated *24/2/23*

A handwritten signature in black ink, appearing to read 'Jennifer Ermert', written in a cursive style.

Jennifer Ermert  
Acting General Counsel  
AUSTRAC

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## 1 Name

This instrument is the *Anti-Money Laundering and Counter-Terrorism Financing (Exemption—Traditional Credit Union Limited) Instrument 2023 (No.3)*.

## 2 Commencement

This instrument commences on 6 March 2023.

## 3 Cessation

This instrument ceases to have effect on 31 December 2024.

## 4 Authority

This instrument is:

- (a) made under paragraph 248(1)(a) of the Act; and
- (b) subject to conditions as authorised under paragraph 248(2)(b) of the Act.

## 5 Definitions

Note: A number of expressions used in this instrument are defined in section 5 of the Act, including the following:

- (a) AML/CTF Rules;
- (b) customer;
- (c) designated service;
- (d) international funds transfer instruction.

In this instrument:

*Act* means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

*KYC information* has the meaning given by paragraph 1.2.1 of the AML/CTF Rules.

*payment nominee* means a part 3B payment nominee as defined by Part 3B of the *Social Security (Administration) Act 1999*.

*subject to the enhanced income management regime* has the meaning given by Part 3AA of the *Social Security (Administration) Act 1999*.

*TCU* means Traditional Credit Union Limited ABN 50 087 650 922.

## 6 Application

This instrument applies to TCU in relation to the provision of the designated services described in items 1–3, 18, 18A, 29 and 30 of table 1 in subsection 6(2) of the Act.

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## 7 Exempt provisions

TCU is exempt from sections 32 and 34 of the Act.

## 8 Conditions

This instrument is subject to the following conditions:

- (1) This exemption only applies where TCU provides the designated services specified at section 6 of this instrument to a customer as part of the Commonwealth Government's Enhanced Income Management arrangements as set out in Part 3AA of the *Social Security (Administration) Act 1999* (Cth); and
  - (a) for designated services specified in items 1, 3, 18, 29 or 30 of Table 1 in subsection 6(2) of the Act, the designated service is provided to a customer who is subject to the enhanced income management regime; or
  - (b) for designated services specified in items 2 or 18A of Table 1 in subsection 6(2) of the Act, the designated service is provided to a customer who is a payment nominee; and
- (2) Despite the exemption in section 7, TCU must obtain the following KYC information from Services Australia in relation to each customer who is subject to the enhanced income management regime:
  - (a) the customer's full name;
  - (b) the customer's date of birth;
  - (c) the customer's residential address.
- (3) TCU must not accept an international funds transfer instruction from a customer who is subject to the enhanced income management regime.
- (4) TCU must, in writing, notify the AUSTRAC CEO within 14 days of any event that may affect its ability to comply with this instrument.

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### **Important Notice to the person named in this instrument**

1. Under subsection 248(3) of the Act, a person granted an exemption subject to one or more conditions must comply with the conditions specified in the instrument. Failure to comply with subsection 248(3) is a civil penalty provision and may result in any or all of the following:
  - the exemption ceasing to apply to the person during any period in which the person does not comply with the relevant condition/s;
  - the exemption being revoked;
  - the AUSTRAC CEO applying to the Federal Court of Australia for a civil penalty order requiring the person to pay a pecuniary penalty in respect of the breach.
2. Under sections 136 and 137 of the Act, it is an offence to provide false or misleading information or documents. If any of the information submitted by the applicant or its representatives is found to be false or misleading, the exemption may be revoked and action initiated against the applicant.
3. The person granted the exemption may request the AUSTRAC CEO to revoke or vary the exemption at any time.
4. Any request to vary or extend this exemption must be submitted to the AUSTRAC CEO or an approved delegate no later than 90 days before the date the change is requested to commence.
5. This exemption does not preclude the person from making communications or disclosures that are otherwise permitted by law.

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## **Schedule 1—Repeals**

### *Exemption 24 of 2021*

#### **1 The whole of the instrument**

Repeal the instrument.