



Anti-Money Laundering and Counter-Terrorism Financing Act 2006

No. 169, 2006

This future law compilation was prepared on 12 December 2024 taking into account amendments made by the **Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024**.

There were multiple dates of commencement for the incorporated amendments and some of these were unknown at the time of preparation.

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About this compilation

This compilation

This is a future compilation of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* that shows the expected text of the law as amended by the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024.

The notes at the end of this compilation (the *endnotes*) include information about amending laws and the amendment history of provisions of the future compilation.

Future amendments

The details of expected future amendments incorporated into the text, that have not yet commenced are underlined in the endnotes.

Any future amendments that are included in the endnotes are underlined.

Application, saving and transitional provisions for provisions and amendments

If the operation of a provision or amendment of the compiled law is affected by an application, saving or transitional provision that is not included in this compilation, details are included in the endnotes.

Editorial changes

For more information about any editorial changes made in this compilation, see the endnotes.

Modifications

If the compiled law is modified by another law, the compiled law operates as modified but the modification does not amend the text of the law. Accordingly, this compilation does not show the text of the compiled law as modified. For more information on any modifications, see the Register for the compiled law.

Self-repealing provisions

If a provision of the compiled law has been repealed in accordance with a provision of the law, details are included in the endnotes.

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An Act to combat money laundering and the financing of terrorism, and for other purposes

Part 1—Introduction

1 Short title

This Act may be cited as the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 and 2 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	12 December 2006
2. Sections 3 to 26	The day after this Act receives the Royal Assent.	13 December 2006
3. Part 2, Divisions 1 to 5	The first day after the end of the period of 12 months beginning on the day on which this Act receives the Royal Assent.	12 December 2007
4. Part 2, Division 6	The first day after the end of the period of 24 months beginning on the day on which this Act receives the Royal Assent.	12 December 2008

Part 1 Introduction

Section 2

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
5. Part 2, Division 7	The first day after the end of the period of 12 months beginning on the day on which this Act receives the Royal Assent.	12 December 2007
6. Part 3, Divisions 1 to 4	The first day after the end of the period of 24 months beginning on the day on which this Act receives the Royal Assent.	12 December 2008
7. Part 3, Division 5	The first day after the end of the period of 6 months beginning on the day on which this Act receives the Royal Assent.	12 June 2007
8. Part 3, Division 6	The first day after the end of the period of 24 months beginning on the day on which this Act receives the Royal Assent.	12 December 2008
9. Parts 4, 5 and 6	The day after this Act receives the Royal Assent.	13 December 2006
10. Part 7	The first day after the end of the period of 12 months beginning on the day on which this Act receives the Royal Assent.	12 December 2007
11. Part 8	The first day after the end of the period of 6 months beginning on the day on which this Act receives the Royal Assent.	12 June 2007
12. Part 9	The day after this Act receives the Royal Assent.	13 December 2006
13. Part 10, Divisions 1 and 2	The day after this Act receives the Royal Assent.	13 December 2006
14. Part 10, Division 3	The first day after the end of the period of 12 months beginning on the day on which this Act receives the Royal Assent.	12 December 2007
15. Part 10, Division 4	The day after this Act receives the Royal Assent.	13 December 2006
16. Part 10, Division 5	The first day after the end of the period of 12 months beginning on the day on which this Act receives the Royal Assent.	12 December 2007

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
17. Part 10, Division 6	The first day after the end of the period of 6 months beginning on the day on which this Act receives the Royal Assent.	12 June 2007
18. Part 10, Division 7	The day after this Act receives the Royal Assent.	13 December 2006
19. Parts 11 to 18	The day after this Act receives the Royal Assent.	13 December 2006
20. Schedule 1	The day after this Act receives the Royal Assent.	13 December 2006

Note: This table relates only to the provisions of this Act as originally passed by both Houses of the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

- (2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

3 Objects

- (1) The objects of this Act include:
- (aa) to provide for measures to detect, deter and disrupt money laundering, the financing of terrorism, and other serious financial crimes; and
 - (ab) to provide relevant Australian government bodies and their international counterparts with the information they need to investigate and prosecute money laundering offences, offences constituted by the financing of terrorism, and other serious crimes; and
 - (ac) to support cooperation and collaboration among reporting entities, AUSTRAC and other government agencies, particularly law enforcement agencies, to detect, deter and disrupt money laundering, the financing of terrorism, and other serious crimes; and

Section 3

- (ad) to promote public confidence in the Australian financial system through the enactment and implementation of controls and powers to detect, deter and disrupt money laundering, the financing of terrorism, and other serious crimes; and
- (a) to fulfil Australia's international obligations, including:
 - (i) Australia's international obligations to combat money laundering; and
 - (ii) Australia's international obligations to combat financing of terrorism; and
- (b) to address matters of international concern, including:
 - (i) the need to combat money laundering; and
 - (ii) the need to combat financing of terrorism; and
- (c) by addressing those matters of international concern, to affect beneficially Australia's relations with:
 - (i) foreign countries; and
 - (ii) international organisations.

Note 1: The objects of this Act are achieved by (among other things) requiring information to be given to the AUSTRAC CEO and by allowing certain other agencies to access information collected by the AUSTRAC CEO.

Note 2: The objects mentioned in paragraphs (1)(a),(b) and (c) relate to the external affairs power. Schedule 1 (alternative constitutional basis) contains provisions designed to attract other legislative powers (including the taxation power).

- (2) Relevant international obligations include obligations under the following:
 - (a) the United Nations Convention Against Corruption, done at New York on 31 October 2003 [2006] ATS 2;
 - (b) the United Nations Convention Against Transnational Organized Crime, done at New York on 15 November 2000 [2004] ATS 12;
 - (c) the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime, done at Strasbourg on 8 November 1990 [1997] ATS 21;

- (d) United Nations Security Council Resolution 1267 S/RES/1267 (1999);
 - (e) United Nations Security Council Resolution 1373 S/RES/1373 (2001);
 - (f) United Nations Security Council Resolution 1617 S/RES/1617 (2005).
- (3) The following reflect international concern:
- (a) the FATF Recommendations;
 - (b) the United Nations Convention Against Corruption, done at New York on 31 October 2003 [2006] ATS 2;
 - (c) the United Nations Convention Against Transnational Organized Crime, done at New York on 15 November 2000 [2004] ATS 12;
 - (d) the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime, done at Strasbourg on 8 November 1990 [1997] ATS 21;
 - (e) the International Convention for the Suppression of the Financing of Terrorism, done at New York on 9 December 1999 [2002] ATS 23;
 - (f) United Nations General Assembly Resolution 51/210 A/RES/51/210 (1996);
 - (g) United Nations Security Council Resolution 1267 S/RES/1267 (1999);
 - (h) United Nations Security Council Resolution 1269 S/RES/1269 (1999);
 - (i) United Nations Security Council Resolution 1373 S/RES/1373 (2001);
 - (j) United Nations Security Council Resolution 1456 S/RES/1456 (2003);
 - (k) United Nations Security Council Resolution 1617 S/RES/1617 (2005).

Note 1: **FATF Recommendations** is defined in section 5.

Note 2: In 2006, the text of international agreements in the Australian Treaty Series was accessible through the Australian Treaties Library on the AustLII website (www.austlii.edu.au).

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Note 3: In 2006, the text of United Nations Security Council resolutions and United Nations General Assembly resolutions was accessible through the United Nations website (www.un.org).

4 Simplified outline

The following is a simplified outline of this Act:

- A reporting entity is a person who provides designated services. (Designated services are listed in section 6.). Lead entities of certain business groups (known as reporting groups) are also reporting entities.
- A reporting entity must have and comply with an AML/CTF program.
- A reporting entity must undertake initial customer due diligence before providing a designated service to the customer. However, in special cases, initial customer due diligence may be carried out after the provision of the designated service.
- Certain pre-commencement customers are subject to modified customer due diligence.
- Simplified customer due diligence may be undertaken in certain low risk circumstances as part of initial and ongoing customer due diligence.
- Reporting entities must report the following to the Chief Executive Officer of AUSTRAC (the Australian Transaction Reports and Analysis Centre):
 - (a) suspicious matters;
 - (b) certain transactions above a threshold.
- Certain information about international value transfer services must be reported to the AUSTRAC CEO.

- Cross-border movements of monetary instruments must be reported to the AUSTRAC CEO, a customs officer or a police officer if the total amount moved is above a threshold.
- Transfers of value must include certain information about the origin of the transferred value.
- Providers of registrable remittance services or registrable remittance network services must be registered with the AUSTRAC CEO.
- Providers of registrable virtual asset services must be registered with the AUSTRAC CEO.
- Financial institutions are subject to restrictions in connection with entering into correspondent banking relationships.

5 Definitions

In this Act:

account includes:

- (a) an account which has a nil balance; and
- (b) an account in relation to which no transactions have been allowed.

account provider: if an account is with a person, the person is the **account provider** for the account.

acquiring: in determining whether something is a designated service, **acquiring** includes anything that, under the regulations, is taken to be acquiring for the purposes of this definition.

ADI (short for authorised deposit-taking institution) means:

- (a) a body corporate that is an ADI for the purposes of the *Banking Act 1959*; or
- (b) the Reserve Bank of Australia; or

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- (c) a person who carries on State banking within the meaning of paragraph 51(xiii) of the Constitution.

administrative action: see subsection 228A(9).

AFP member (short for Australian Federal Police member) means a member or special member of the Australian Federal Police.

agency:

- (a) a Department of the Commonwealth is taken to be an agency of the Commonwealth for the purposes of this Act;
- (b) a Department of a State is taken to be an agency of the State for the purposes of this Act;
- (c) a Department of a Territory is taken to be an agency of the Territory for the purposes of this Act.

allowing a transaction: in determining whether a person has allowed a transaction, it is immaterial whether the person was obliged to allow the transaction.

AML/CTF compliance officer for a reporting entity means the individual designated as the AML/CTF compliance officer for the reporting entity under subsection 26J(1).

AML/CTF policies of a reporting entity:

- (a) means the policies, procedures, systems and controls of the reporting entity developed under section 26F; and
- (b) if the policies, procedures, systems and controls of the reporting entity are updated—includes the policies, procedures, systems and controls as updated.

AML/CTF program: see section 26B.

AML/CTF Rules (short for Anti-Money Laundering/Counter-Terrorism Financing Rules) means the rules made under section 229.

approved means approved by the AUSTRAC CEO, in writing, for the purposes of the provision in which the term occurs.

Note: For variation and revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.

approved deposit fund has the same meaning as in the *Superannuation Industry (Supervision) Act 1993*.

approved third-party bill payment system means a bill payment system prescribed by the AML/CTF Rules.

arrangement includes:

- (a) any agreement, arrangement, understanding, promise or undertaking, whether express or implied, and whether or not enforceable, or intended to be enforceable, by legal proceedings; and
- (b) any scheme, plan, proposal, action, course of action or course of conduct, whether unilateral or otherwise.

assessment, in relation to an individual, means an assessment prepared or provided by a credit reporting body under paragraph 35B(1)(a) in relation to the individual.

AUSTRAC means the Australian Transaction Reports and Analysis Centre continued in existence by section 209.

AUSTRAC CEO means the Chief Executive Officer of AUSTRAC.

AUSTRAC entrusted person means:

- (a) the AUSTRAC CEO; or
- (b) a member of the staff of AUSTRAC; or
- (c) a person engaged as a consultant under subsection 225(1); or
- (d) a person whose services are made available to the AUSTRAC CEO under subsection 225(3); or
- (e) a member of a task force established by the AUSTRAC CEO under paragraph 212(1)(db); or
- (f) the Director of AUSTRAC; or
- (g) a person engaged as a consultant under section 40A of the repealed *Financial Transaction Reports Act 1988*.

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Note: The former office of Director of AUSTRAC was established under the repealed *Financial Transaction Reports Act 1988*.

AUSTRAC information means the following:

- (a) information obtained by, or generated by, an AUSTRAC entrusted person under or for the purposes of this Act;
- (b) information obtained by an AUSTRAC entrusted person under or for the purposes of any other law of the Commonwealth or a law of a State or a Territory;
- (c) information obtained by an AUSTRAC entrusted person from a government body;
- (d) FTR information (within the meaning of the *Financial Transaction Reports Act 1988*, as in force immediately before its repeal).

Australia, when used in a geographical sense, includes the external Territories.

Australian account means an account held in Australia.

Australian Border Force has the same meaning as in the *Australian Border Force Act 2015*.

Australian carbon credit unit has the same meaning as in the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

Australian financial services licence has the same meaning as in the *Corporations Act 2001*.

Australian government body means:

- (a) the Commonwealth, a State or a Territory; or
- (b) an agency or authority of:
 - (i) the Commonwealth; or
 - (ii) a State; or
 - (iii) a Territory.

authorised officer means:

- (a) the AUSTRAC CEO; or

- (b) a person for whom an appointment as an authorised officer is in force under section 145.

bearer negotiable instrument has the meaning given by section 17.

beneficial owner of a person (other than an individual) means an individual who:

- (a) ultimately owns (either directly or indirectly) 25% or more of the person; or
(b) controls (directly or indirectly) the person.

beneficiary institution: see subsections 63A(5) to (8).

bet includes wager.

betting instrument means a thing (whether real or virtual):

- (a) that represents monetary value or virtual asset value; and
(b) that is designed to be used for the purpose of, or for purposes which include:
(i) placing or making a bet; or
(ii) paying out winnings in respect of a bet;

but does not include:

- (c) a gaming chip or token; or
(d) a thing that, under the AML/CTF Rules, is taken not to be a betting instrument.

bill of exchange has the same meaning as in paragraph 51(xvi) of the Constitution, but does not include a cheque unless the cheque is a cheque that an ADI, bank or other institution draws on itself.

borrow has a meaning corresponding to *loan*.

building society includes a society registered or incorporated as a co-operative housing society or similar society under:

- (a) a law of a State or Territory; or
(b) a law of a foreign country or a part of a foreign country.

bullion means gold, silver, platinum or palladium that:

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- (a) is in the form of a bar, coin, ingot, plate, wafer or like form of mass; and
- (b) bears a mark or characteristic generally accepted as identifying and guaranteeing the fineness and quality of the gold, silver, platinum or palladium; and
- (c) is usually traded at a price that is determined by reference to the spot price of the gold, silver, platinum or palladium.

business includes a venture or concern in trade or commerce, whether or not conducted on a regular, repetitive or continuous basis.

business day means a day other than a Saturday, a Sunday or a public or bank holiday in the place concerned.

business group: see subsection 10A(3).

business relationship means a relationship between a reporting entity and a customer involving the provision of a designated service or designated services that has, or could reasonably be expected to have, an element of duration.

casino means a casino operating under a licence granted under a law of a State or a Territory.

child: without limiting who is a child of another person for the purposes of this Act, each of the following is the **child** of a person:

- (a) a stepchild or an adopted child of the person;
- (b) someone who would be the stepchild of the person except that the person is not legally married to the person's partner;
- (c) someone who is a child of the person within the meaning of the *Family Law Act 1975*.

civil penalty order means an order under section 175.

civil penalty provision means a provision declared by this Act to be a civil penalty provision.

commence to provide a designated service means:

- (a) if the designated service is provided at an instant of time—
provide the service; or
- (b) if the designated service is provided over a period of time—
begin to provide the service.

commercial goods carrier means a person who, in the normal course of a business, carries goods or mail for reward.

commercial passenger carrier means a person who, in the normal course of a business, carries passengers for reward.

Commonwealth place means:

- (a) a Commonwealth place within the meaning of the *Commonwealth Places (Application of Laws) Act 1970*; or
- (b) a place in a Territory, where the place is owned by the Commonwealth.

Commonwealth Royal Commission means a Royal Commission within the meaning of the *Royal Commissions Act 1902*.

Commonwealth, State or Territory agency means any of the following:

- (a) an agency, authority, body or organisation of the Commonwealth, a State or a Territory that has functions in relation to, or that is responsible for or deals with, law enforcement or investigation of corruption;
- (b) an agency, authority, body or organisation of the Commonwealth, a State or a Territory that has functions in relation to, or that is responsible for or deals with, criminal intelligence, security intelligence, foreign intelligence or financial intelligence;
- (c) an agency, authority, body or organisation of the Commonwealth, a State or a Territory that has functions in relation to the protection of the public revenue of the Commonwealth, a State or a Territory;
- (d) an agency, authority, body or organisation of the Commonwealth, a State or a Territory that has regulatory functions;

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- (e) an agency, authority, body or organisation of the Commonwealth, a State or a Territory that has oversight functions under a law of the Commonwealth, a State or a Territory;
- (f) a Department of the Commonwealth;
- (g) a Commonwealth Royal Commission whose terms of reference include inquiry into whether unlawful conduct (however described) has, or might have, occurred;
- (h) a State/Territory Royal Commission:
 - (i) whose terms of reference include inquiry into whether unlawful conduct (however described) has, or might have, occurred; and
 - (ii) that is specified in the AML/CTF Rules;
- (i) any other agency, authority, body or organisation of the Commonwealth, a State or a Territory, being an agency, authority, body or organisation prescribed by the AML/CTF Rules;
- (j) a task force that:
 - (i) is established by a Minister of the Commonwealth or of a State or Territory or established under a law of the Commonwealth, a State or a Territory; and
 - (ii) has functions of a kind described in paragraph (a), (b), (c) or (d);
- (k) a person who holds an office or appointment under a law of the Commonwealth, a State or a Territory, being an office or appointment prescribed by the AML/CTF Rules.

company has the same meaning as in the *Income Tax Assessment Act 1997*.

Note: Under the *Income Tax Assessment Act 1997*, **company** includes an unincorporated association or body of persons.

compliance record of a reporting entity means:

- (a) a record that relates to the obligations under this Act, the regulations or the AML/CTF Rules of the reporting entity; or
- (b) a record, copy or extract retained under Part 10 by the reporting entity.

Comptroller-General of Customs means the person who is the Comptroller-General of Customs in accordance with subsection 11(3) or 14(2) of the *Australian Border Force Act 2015*.

constitutional corporation means a corporation to which paragraph 51(xx) of the Constitution applies.

contribution, in relation to an RSA, has the same meaning as in the *Retirement Savings Accounts Act 1997*.

controller of an eligible gaming machine venue has the meaning given by section 13.

control has the meaning given by section 11.

correspondent banking relationship means a relationship that involves the provision by a financial institution (the **first financial institution**) of banking services to another financial institution, where:

- (a) the first financial institution carries on an activity or business at or through a permanent establishment of the financial institution in a particular country; and
- (b) the other financial institution carries on an activity or business at or through a permanent establishment of the other financial institution in another country; and
- (c) the correspondent banking relationship relates, in whole or in part, to those permanent establishments; and
- (d) the relationship is not of a kind specified in the AML/CTF Rules; and
- (e) the banking services are not of a kind specified in the AML/CTF Rules.

For this purpose, **banking service** includes anything that, under the AML/CTF Rules, is taken to be a banking service for the purposes of this definition.

Note: For geographical links, see section 100.

country means Australia or a foreign country.

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credit card is a thing (whether real or virtual) that is one or more of the following:

- (a) a thing of a kind commonly known as a credit card;
- (b) a similar thing intended for use by a person in obtaining access to an account that is held by the person for the purpose of obtaining money, goods or services on credit;
- (c) a thing of a kind that persons carrying on business commonly issue to their customers, or prospective customers, for use in obtaining goods or services from those persons on credit;
- (d) a thing that may be used as a thing referred to in paragraph (a), (b) or (c).

credit card acquirer means a person who:

- (a) is a participant of a designated payment system under the *Payment Systems (Regulation) Act 1998*; and
- (b) pays, or accepts liability to pay, a merchant (either directly or through another person) for goods or services obtained, or to be obtained, by another person from the merchant in a credit card transaction.

credit card issuer means a person who:

- (a) is a participant of a designated payment system under the *Payment Systems (Regulation) Act 1998*; and
- (b) issues a credit card to a customer; and
- (c) either:
 - (i) receives payment from the customer for amounts owed by the customer, under the terms governing the credit card, for credit card transactions; or
 - (ii) pays, or accepts liability to pay, a credit card acquirer (either directly or through another person) for amounts paid or payable by the acquirer to a merchant for the customer's credit card transactions.

credit reporting body has the same meaning as in the *Privacy Act 1988*.

custodial or depository service: see the definition of ***providing a custodial or depository service***.

customer has the meaning given by section 6, and includes a prospective customer.

customs officer means an officer of Customs within the meaning of the *Customs Act 1901*.

damage, in relation to data, includes damage by erasure of data or addition of other data.

data includes:

- (a) information in any form; or
- (b) any program (or part of a program).

data storage device means a thing containing, or designed to contain, data for use by a computer.

debit card means:

- (a) a thing (whether real or virtual) that is intended for use by a person in obtaining access to an account that is held by the person for the purpose of withdrawing or depositing physical currency or obtaining goods or services; or
- (b) a thing (whether real or virtual) that may be used as a thing referred to in paragraph (a).

debit card account: if a debit card enables the holder of an account to debit the account, the account is a ***debit card account***.

deductible gift recipient has the same meaning as in the *Income Tax Assessment Act 1997*.

de facto partner has the same meaning as in the *Acts Interpretation Act 1901*.

Defence Department means the Department administered by the Defence Minister.

Defence Minister means the Minister responsible for administering the *Defence Act 1903*.

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departing Australia superannuation payment has the same meaning as in the *Income Tax Assessment Act 1997*.

derivative: see subsections 7A(3) and (4).

designated infringement notice provision has the meaning given by subsection 184(4).

designated service has the meaning given by section 6.

director of a company includes a member of a body corporate incorporated for a public purpose by a law of the Commonwealth, a State or a Territory.

Director-General of National Intelligence means the Director-General of National Intelligence holding office under the *Office of National Intelligence Act 2018*.

disclose means divulge or communicate.

disposing of: in determining whether something is a designated service, **disposing of** includes anything that, under the regulations, is taken to be disposing of for the purposes of this definition.

domestic politically exposed person means:

- (a) an individual who holds an office or position (whether or not in or for the Commonwealth) specified in the AML/CTF Rules; or
- (b) an individual who is a member of the legislature of the Commonwealth or of a State or Territory; or
- (c) a family member of an individual covered by paragraph (a) or (b); or
- (d) an individual who is known (having regard to information that is public or readily available) to have:
 - (i) joint beneficial ownership of a body corporate or legal arrangement with an individual covered by paragraph (a) or (b); or

- (ii) sole beneficial ownership of a body corporate or legal arrangement on behalf or for the benefit of an individual covered by paragraph (a) or (b); or
- (iii) any other close business relations with an individual covered by paragraph (a) or (b).

electronic communication has the same meaning as in the *Criminal Code*.

eligible gaming machine venue has the meaning given by section 13.

eligible international emissions unit has the same meaning as in the *Australian National Registry of Emissions Units Act 2011*.

eligible place means:

- (b) a warehouse in respect of which a warehouse licence (within the meaning of Part V of the *Customs Act 1901*) is in force; or
- (c) a port, airport, wharf or boarding station appointed under section 15 of the *Customs Act 1901*.

embarkation area means a section 234AA place within the meaning of the *Customs Act 1901*.

engage in conduct means:

- (a) do an act; or
- (b) omit to perform an act.

enrolment details, in relation to a person, means such information relating to the person as is specified in the AML/CTF Rules.

entrusted investigating official means:

- (a) the Commissioner of the Australian Federal Police; or
- (b) the Chief Executive Officer of the Australian Crime Commission; or
- (c) the Commissioner of Taxation; or
- (d) the Comptroller-General of Customs; or
- (e) the National Anti-Corruption Commissioner; or

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(f) an investigating officer.

evidential burden, in relation to a matter, means the burden of adducing or pointing to evidence that suggests a reasonable possibility that the matter exists or does not exist.

examinee, in relation to an examination under Division 3 of Part 14, means the person who appears for examination.

examiner, in relation to an examination under Division 3 of Part 14, means the AUSTRAC CEO and includes:

- (a) a delegate of the AUSTRAC CEO; and
- (b) a consultant engaged under subsection 225(1) to perform services as an examiner.

examiner of the Australian Crime Commission means an examiner within the meaning of the *Australian Crime Commission Act 2002*.

exchange settlement account means an account provided by the Reserve Bank of Australia that is used for the final settlement of obligations between holders of such accounts.

exempt financial market operator issue of a security or derivative means the making available of the security or derivative, by the operator of a financial market (within the meaning of Chapter 7 of the *Corporations Act 2001*), in the course of operating the financial market.

express trust means a trust expressly and intentionally created in writing by a settlor but does not include a testamentary trust.

extension notice: see subsection 39B(7).

external auditor means a person authorised under section 164 to be an external auditor for the purposes of this Act.

factoring includes anything that, under the regulations, is taken to be factoring for the purposes of this Act.

false customer name means a name other than a name by which the customer is commonly known.

family member of an individual who is covered by:

- (a) paragraph (a) or (b) of the definition of **domestic politically exposed person** in this section; or
- (b) paragraph (a) of the definition of **foreign politically exposed person** in this section; or
- (c) paragraph (a) of the definition of **international organisation politically exposed person** in this section;

includes:

- (d) a spouse, de facto partner, or other person who is equivalent to a spouse or de facto partner under any applicable law of a foreign country, of the individual; and
- (e) a child of the individual; and
- (f) a spouse or de facto partner, or other person who is equivalent to a spouse or de facto partner under any applicable law of a foreign country, of a child of the individual; and
- (g) a parent of the individual.

FATF Recommendations (short for Financial Action Task Force Recommendations) means:

- (a) all of the following Recommendations:
 - (i) the Forty Recommendations adopted by the Financial Action Task Force on Money Laundering (FATF) at its plenary meeting on 20 June 2003;
 - (ii) the Special Recommendations on Terrorist Financing adopted by the Financial Action Task Force on Money Laundering (FATF) at its special plenary meeting on 31 October 2001;
 - (iii) Special Recommendation IX on Terrorist Financing adopted by the Financial Action Task Force on Money Laundering (FATF) at its plenary meeting on 20-22 October 2004; or
- (b) if any or all of those Recommendations are amended—the Recommendations as so amended.

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Note: In 2006, the text of the FATF Recommendations was available on the FATF website (www.fatf-gafi.org).

Federal Court means the Federal Court of Australia.

financial institution means:

- (a) an ADI; or
- (b) a bank; or
- (c) a building society; or
- (d) a credit union; or
- (e) a person specified in the AML/CTF Rules.

The AML/CTF Rules made under paragraph (e) may specify different persons to be financial institutions for the purposes of different provisions of this Act.

financing of terrorism means conduct that amounts to:

- (a) an offence against section 102.6 or Division 103 of the *Criminal Code*; or
- (b) an offence against section 20 or 21 of the *Charter of the United Nations Act 1945*; or
- (c) an offence against a law of a State or Territory that corresponds to an offence referred to in paragraph (a) or (b); or
- (d) an offence against a law of a foreign country or a part of a foreign country that corresponds to an offence referred to in paragraph (a) or (b).

Foreign Affairs Minister means the Minister responsible for administering the *Diplomatic Privileges and Immunities Act 1967*.

foreign agency means:

- (a) a government body that has responsibility for:
 - (i) intelligence gathering for a foreign country; or
 - (ii) the security of a foreign country; or
- (b) a government body that has responsibility for law enforcement or investigation of corruption in a foreign country or a part of a foreign country; or

- (c) a government body that has responsibility for the protection of the public revenue of a foreign country; or
- (d) a government body that has regulatory functions in a foreign country; or
- (e) the European Police Office (Europol); or
- (f) the International Criminal Police Organization (Interpol); or
- (g) an international body prescribed by the regulations for the purposes of this paragraph.

foreign country includes a region where:

- (a) the region is a colony, territory or protectorate of a foreign country; or
- (b) the region is part of a foreign country; or
- (c) the region is under the protection of a foreign country; or
- (d) a foreign country exercises jurisdiction or control over the region; or
- (e) a foreign country is responsible for the region's international relations.

foreign exchange contract means a contract:

- (a) to buy or sell currency (whether Australian or not); or
- (b) to exchange one currency (whether Australian or not) for another (whether Australian or not).

foreign politically exposed person means:

- (a) an individual who holds a prominent office or position or public function in or for the legislature, executive or judiciary of a foreign country, including an individual who holds any of the following offices or positions:
 - (i) head of state or head of government;
 - (ii) member of the executive council of government;
 - (iii) member of a legislature;
 - (iv) minister, deputy minister or equivalent office or position;
 - (v) judge of a supreme court, constitutional court or other court of general jurisdiction or last resort;

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- (vi) ambassador, high commissioner or charge d'affaires;
- (vii) high ranking military officer;
- (viii) head or board member of a government body;
- (ix) head or board member of a state-owned company or a state-owned bank;
- (x) member of a governing body of a political party represented in a legislature;
- (xi) an office or position prescribed in the AML/CTF Rules;
or
- (b) a family member of an individual covered by paragraph (a);
or
- (c) an individual who is known (having regard to information that is public or readily available) to have:
 - (i) joint beneficial ownership of a body corporate or legal arrangement with an individual covered by paragraph (a); or
 - (ii) sole beneficial ownership of a body corporate or legal arrangement on behalf or for the benefit of an individual covered by paragraph (a); or
 - (iii) any other close business relations with an individual covered by paragraph (a).

Note: *Foreign country* has an extended meaning—see the definition of *foreign country* in this section.

game includes an electronic game, but does not include a lottery.

gaming chip or token means a chip or token for playing a game, where:

- (a) the game is played for money or anything else of value; and
- (b) the game is a game of chance or of mixed chance and skill.

gaming machine means a machine for playing a game, where:

- (a) the game is played for money or anything else of value; and
- (b) the game is a game of chance or of mixed chance and skill.

governing body of a reporting entity means:

- (a) if the reporting entity is an individual—the individual; or

- (b) otherwise—the individual, or group of individuals, with primary responsibility for the governance and executive decisions of the reporting entity.

government body means:

- (a) the government of a country; or
- (b) an agency or authority of the government of a country; or
- (c) the government of part of a country; or
- (d) an agency or authority of the government of part of a country.

guarantee includes anything that, under the regulations, is taken to be a guarantee for the purposes of this Act.

incorporated includes formed. This definition does not apply to the expression **unincorporated**.

information obtained includes information obtained as a result of the production of a document.

infringement notice means an infringement notice under section 184.

infringement notice provision has the meaning given by subsection 184(1A).

institution: see subsection 63A(12).

intermediary institution: see subsections 63A(9) and (10).

international organisation politically exposed person means:

- (a) an individual who is entrusted with a prominent public function, position or office of a public international organisation, including a head, deputy head or board member in a public international organisation;
- (b) a family member of an individual covered by (a);
- (c) an individual who is known (having regard to information that is public or readily available) to have:

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- (i) joint beneficial ownership of a body corporate or legal arrangement with an individual covered by paragraph (a); or
- (ii) sole beneficial ownership of a body corporate or legal arrangement on behalf or for the benefit of an individual covered by paragraph (a); or
- (iii) any other close business relations with an individual covered by paragraph (a).

international value transfer service has the meaning given by section 45.

investigating officer means:

- (a) a taxation officer; or
- (b) an AFP member; or
- (c) a customs officer (other than the Comptroller-General of Customs); or
- (d) an examiner of the Australian Crime Commission; or
- (e) a member of the staff of the Australian Crime Commission; or
- (f) a National Anti-Corruption Commission officer.

involves includes relates to.

issue, when used in relation to a security or derivative, has the same meaning as in Chapter 7 of the *Corporations Act 2001*. The time when a derivative is issued is to be worked out under subsection 761E(3) of the *Corporations Act 2001*.

keep open notice: see subsection 39B(1).

KYC information (short for know your customer information) about a customer of a reporting entity means information about the customer that:

- (a) provides reasonable grounds for the reporting entity to establish the matters mentioned in subsection 28(2); or
- (b) enables the reporting entity to identify or assess the ML/TF risk of the customer.

land includes:

- (a) land in Australia or a foreign country; and
- (b) land the subject of a subdivision arrangement.

land use entitlement means an entitlement to occupy land conferred through an ownership of shares in a company or units in a unit trust scheme, or a combination of a shareholding or ownership of units together with a lease or licence.

lead entity of a reporting group: see subsection 10A(5).

lease, when used in relation to goods, includes hire.

legal arrangement means:

- (a) an express trust; or
- (b) a partnership; or
- (c) a joint venture; or
- (d) an unincorporated association; or
- (e) an arrangement, including a foreign arrangement such as a fiducie, treuhand or fideicomiso, similar to an arrangement mentioned in any of the above paragraphs.

legal professional privilege includes privilege under Division 1 of Part 3.10 of the *Evidence Act 1995*.

life policy means a life policy (within the meaning of the *Life Insurance Act 1995*), but does not include:

- (a) a policy for which there is no prescribed minimum surrender value (other than that which may be provided for in the policy documentation and promotional material); or
- (b) a regular premium policy to which paragraph (a) does not apply, where the amount, or the total of the amounts, payable by way of premium each year is not more than:
 - (i) \$1,500; or
 - (ii) if a greater amount is specified in the AML/CTF Rules—that greater amount; or

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- (c) a single premium policy to which paragraph (a) does not apply, where the amount of the single premium is not more than:
 - (i) \$3,000; or
 - (ii) if a greater amount is specified in the AML/CTF Rules—that greater amount; or
- (d) a contract of consumer credit insurance (within the meaning of the *Insurance Contracts Act 1984*).

For the purposes of this definition, the question of whether a policy has a prescribed minimum surrender value is to be determined in accordance with prudential standards made under section 230A of the *Life Insurance Act 1995* as in force from time to time.

loan includes:

- (a) an advance of money; and
- (b) the provision of credit or any other form of financial accommodation; and
- (c) the payment of an amount for, on account of, on behalf of or at the request of a person where there is an obligation (whether expressed or implied) to repay the amount; and
- (d) a transaction (whatever its terms or form) which in substance effects a loan of money;

but does not include:

- (e) if goods are sold on credit—the provision by the seller of that credit; or
- (f) if services are provided on credit—the provision by the provider of the service of that credit; or
- (g) anything that, under the AML/CTF Rules, is taken not to be a loan for the purposes of this Act.

LPP form, in relation to information or a document, means a written notice that:

- (a) is in an approved form; and
- (b) specifies the basis on which the information or document is privileged from being given or produced on the ground of legal professional privilege; and

- (c) contains any other information required by the approved form; and
- (d) is accompanied by any documents required by the approved form.

make available, when used in relation to money, includes reducing the balance of a loan account.

managed investment scheme has the same meaning as in the *Corporations Act 2001*.

Note: A notified foreign passport fund is a managed investment scheme for the purposes of that Act, see section 1213E of that Act.

member of a reporting group or a business group: see subsection 10A(4).

member of the staff of the Australian Crime Commission has the same meaning as in the *Australian Crime Commission Act 2002*.

ML/TF risk, of a customer, means the risks of money laundering, financing of terrorism and proliferation financing that a reporting entity may reasonably face in providing its designated service, or designated services, to the customer.

ML/TF risk assessment of a reporting entity:

- (a) means the risk assessment undertaken by the reporting entity under section 26C; and
- (b) if the assessment is updated under section 26D—includes the risk assessment as updated.

modifications includes additions, omissions and substitutions.

monetary instrument means any of the following:

- (a) physical currency;
- (b) a bearer negotiable instrument;
- (c) a thing prescribed by the AML/CTF Rules.

monetary instrument amount for a monetary instrument means:

- (a) for physical currency—the amount of the currency; or

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- (b) for a bearer negotiable instrument—the amount payable under the instrument; or
- (c) for a thing prescribed by the AML/CTF Rules for the purposes of paragraph (c) of the definition of *monetary instrument* in this section—the amount worked out in accordance with the AML/CTF Rules.

money includes:

- (a) physical currency; and
- (b) money held in an account, whether denominated in Australian currency or any other currency; and
- (c) money held on deposit, whether denominated in Australian currency or any other currency; and
- (d) a digital representation of value:
 - (i) that is issued by or under the authority of a government body; and
 - (ii) that is intended to function as money.

Example: Central bank digital currency.

money laundering means conduct that amounts to:

- (a) an offence against Division 400 of the *Criminal Code*; or
- (b) an offence against a law of a State or Territory that corresponds to an offence referred to in paragraph (a); or
- (c) an offence against a law of a foreign country or of a part of a foreign country that corresponds to an offence referred to in paragraph (a).

monitoring powers has the meaning given by section 148.

monitoring warrant means a warrant issued under section 159.

move:

- (a) *move* a monetary instrument into Australia has the meaning given by section 55; and
- (b) *move* a monetary instrument out of Australia has the meaning given by section 56.

National Anti-Corruption Commissioner means the Commissioner within the meaning of the *National Anti-Corruption Commission Act 2022*.

National Anti-Corruption Commission officer means a staff member of the NACC within the meaning of the *National Anti-Corruption Commission Act 2022*.

nested services relationship means a relationship that involves the provision of a designated service by a reporting entity that is a remitter, virtual asset service provider or financial institution to a customer that is a remitter, virtual asset service provider or financial institution where:

- (a) the reporting entity provides the designated service at or through a permanent establishment in one country; and
- (b) the customer uses the designated service to provide services to its own customers at or through a permanent establishment in another country; and
- (c) the relationship is not a correspondent banking relationship.

nominee shareholder, in relation to a body corporate or legal arrangement, means a person who:

- (a) holds shares or an interest in the body corporate or legal arrangement on behalf of another person (the **nominator**); and
- (b) exercises voting rights associated with the shares or interest according to the instructions of the nominator, or receives dividends on behalf of the nominator, or both.

non-reportable cross-border movement of monetary instruments means:

- (a) a movement of one or more monetary instruments into Australia; or
- (b) a movement of one or more monetary instruments out of Australia;

for which a report under section 53 is not required.

non-reportable transaction: if:

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- (a) a reporting entity commences to provide, or provides, a designated service to a customer; and
 - (b) the provision of the service involves a transaction; and
 - (c) the transaction is not a threshold transaction;
- the transaction is a ***non-reportable transaction***.

notified foreign passport fund has the same meaning as in the *Corporations Act 2001*.

occasional transaction means the provision of a designated service by a reporting entity to a customer other than as part of a business relationship.

offence:

- (a) a reference in this Act to an offence against a law of the Commonwealth (including this Act) includes a reference to an offence against section 6 of the *Crimes Act 1914* that relates to such an offence; and
- (b) a reference in this Act to a particular offence includes a reference to an offence against section 6 of the *Crimes Act 1914* that relates to that particular offence.

Note: For other ancillary offences, see section 11.6 of the *Criminal Code*.

officer:

- (a) a director or secretary of a company is taken to be an officer of the company for the purposes of this Act;
- (b) a partner of a partnership is taken to be an officer of the partnership for the purposes of this Act;
- (c) a trustee or manager of a trust is taken to be an officer of the trust for the purposes of this Act.

official has the meaning given by section 22.

on-course bookmaker means a person who carries on a business of a bookmaker or a turf commission agent at a racecourse.

online gambling service:

- (a) means a designated service covered by an item of table 3 in section 6 of this Act that is provided to a customer using any of the means referred to in paragraph 5(1)(b) of the *Interactive Gambling Act 2001*; and
- (b) includes an excluded wagering service (within the meaning of that Act), but does not include a telephone betting service (within the meaning of that Act).

opening, in relation to an account, means creating the account. To avoid doubt, it is immaterial whether:

- (a) the account number has been given to the holder of the account; or
- (b) the holder of the account, or any other signatory to the account, can conduct a transaction in relation to the account.

ordering institution: see subsections 63A(1) to (4).

owner-managed branch of an ADI has the meaning given by section 12.

parent: without limiting who is a parent of another person for the purposes of this Act, a person is the **parent** of another person if the other person is the person's child because of the definition of **child** in this section.

partnership has the same meaning as in the *Income Tax Assessment Act 1997*.

permanent establishment has the meaning given by section 21.

person means any of the following:

- (a) an individual;
- (b) a company;
- (c) a trust;
- (d) a partnership;
- (e) a corporation sole;
- (f) a body politic.

Note: See also sections 237 (partnerships), 238 (unincorporated associations) and 239 (trusts with multiple trustees).

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personal information has the same meaning as in the *Privacy Act 1988*.

person designated for targeted financial sanctions means:

- (a) a designated person or entity (within the meaning of regulations made under the *Charter of the United Nations Act 1945*); or
- (b) a designated person or entity (within the meaning of regulations made under the *Autonomous Sanctions Act 2011*).

physical currency means the coin and printed money (whether of Australia or of a foreign country) that:

- (a) is designated as legal tender; and
- (b) circulates as, and is customarily used and accepted as, a medium of exchange in the country of issue.

police officer means:

- (a) an AFP member; or
- (b) a member of the police force or police service of a State or Territory.

politically exposed person means:

- (a) a domestic politically exposed person; or
- (b) a foreign politically exposed person; or
- (c) an international organisation politically exposed person.

precious metal: see subsection 5A(1).

precious product: see subsection 5A(6).

precious stone: see subsection 5A(3).

pre-commencement customer: see subsection 36(1).

prescribed foreign country means a foreign country declared by the regulations to be a prescribed foreign country for the purposes of this Act.

printed money means money comprising a note printed, written or otherwise made on polymer, paper or any other material.

produce includes permit access to.

proliferation financing means conduct that amounts to:

- (a) an offence against the *Charter of the United Nations Act 1945*, or regulations made under that Act, that is prescribed by regulations made under this Act for the purposes of this paragraph; or
- (b) an offence against the *Autonomous Sanctions Act 2011*, or a contravention of regulations made under that Act, that involves sanctions addressing the proliferation of weapons of mass destruction; or
- (c) an offence against the *Autonomous Sanctions Act 2011*, or a contravention of regulations made under that Act, that is prescribed by regulations made under this Act for the purposes of this paragraph; or
- (d) the provision of assets (including funds) or financial services, or other dealing with assets, in contravention of a law of the Commonwealth that:
 - (i) implements an international agreement, convention or treaty relating to the proliferation of weapons of mass destruction; and
 - (ii) is prescribed by the regulations for the purposes of this paragraph; or
- (e) an offence against a law of a State or Territory that corresponds to an offence referred to in paragraph (a), (b), (c) or (d); or
- (f) an offence against a law of a foreign country or a part of a foreign country that corresponds to an offence referred to in paragraph (a), (b), (c), (d) or (e); or
- (g) an offence against a law of the Commonwealth, a State or a Territory that is prescribed by the regulations for the purposes of this paragraph.

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promissory note has the same meaning as in paragraph 51(xvi) of the Constitution.

property means any legal or equitable estate or interest in real or personal property, including a contingent or prospective one, but does not include money or a virtual asset.

provide includes supply, grant or confer.

providing a custodial or depository service includes engaging in conduct that, under subsection 766E(1) of the *Corporations Act 2001*, constitutes providing a custodial or depository service, but does not include:

- (a) conduct covered by subsection 766E(3) of that Act; or
- (b) conduct specified in the AML/CTF Rules.

public international organisation has the same meaning as in section 70.1 of the *Criminal Code*.

public official means:

- (a) an employee or official of a government body; or
- (b) an individual who holds or performs the duties of an appointment, office or position under a law of a country or of part of a country; or
- (c) an individual who holds or performs the duties of an appointment, office or position created by custom or convention of a country or of part of a country; or
- (d) an individual who is otherwise in the service of a government body (including service as a member of a military force, police force or police service); or
- (e) a member of the executive, judiciary or magistracy of a country or of part of a country.

qualified accountant means a person who is a member of:

- (a) CPA Australia; or
- (b) Chartered Accountants Australia and New Zealand; or
- (ba) the Institute of Public Accountants; or
- (c) a body specified in the AML/CTF Rules.

real estate means:

- (a) any of the following interests in land in Australia:
 - (i) a fee simple interest;
 - (ii) a leasehold interest;
 - (iii) a land use entitlement; or
 - (b) an interest, estate, right or entitlement in land in a foreign country that:
 - (i) is equivalent to an interest mentioned in paragraph (a); or
 - (ii) otherwise confers ownership rights on the holder of that interest, estate; right or entitlement; or
 - (c) an interest prescribed by the regulations;
- but does not include the following:
- (d) incorporeal hereditaments;
 - (e) the interest of a mortgagee;
 - (f) a leasehold interest under a lease for a term (excluding options for further terms) of 30 years or less;
 - (g) any other interest, estate, right or entitlement in land in a foreign country that is equivalent to an interest mentioned in paragraph (d), (e) or (f);
 - (h) an interest prescribed by the regulations.

receives a designated service: if a reporting entity provides a designated service to a customer, the customer **receives** the designated service from the reporting entity.

registered charity means an entity that is registered under the *Australian Charities and Not-for-profits Commission Act 2012* as the type of entity mentioned in column 1 of item 1 of the table in subsection 25-5(5) of that Act.

registered independent remittance dealer means a person registered under section 75C as an independent remittance dealer.

registered remittance affiliate, of a registered remittance network provider, means a person registered under section 75C as a remittance affiliate of the registered remittance network provider.

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registered remittance network provider means a person registered under section 75C as a remittance network provider.

registered virtual asset service provider means a person registered under section 76E as a virtual asset service provider.

registrable details, in relation to a person, means such information relating to the person as is specified in the AML/CTF Rules.

Note: A person's business name and business address are examples of information that could be specified in the AML/CTF Rules.

registrable remittance network service means a designated service that:

- (a) is covered by item 32A of table 1 in section 6; and
- (b) is not of a kind specified in the AML/CTF Rules.

registrable remittance service means a designated service that:

- (a) is covered by item 29 or 30 of table 1 in section 6; and
- (b) is provided by a person (other than a financial institution or casino) at or through a permanent establishment of the person in Australia; and
- (c) does not involve a transfer of virtual assets; and
- (d) is not of a kind specified in the AML/CTF Rules.

registrable virtual asset service means a designated service that:

- (a) is either of the following:
 - (i) a designated service covered by item 46A, 50A, 50B or 50C of table 1 in section 6;
 - (ii) a designated service covered by item 29 or 30 of that table, if the transfer of value involves the transfer of a virtual asset (whether or not it also involves the transfer of money or property); and
- (b) is not provided by a financial institution or a casino; and
- (c) is not of a kind specified in the AML/CTF Rules.

registration means:

- (a) in, or in relation to, Part 6—registration as any of the following:

- (i) a remittance network provider;
 - (ii) an independent remittance dealer;
 - (iii) a remittance affiliate of a registered remittance network provider; or
- (b) in, or in relation to, Part 6A—registration as a virtual asset service provider.

Remittance Sector Register has the meaning given by section 75.

reporting entity means:

- (a) a person who provides a designated service; or
- (b) the lead entity of a reporting group.

reporting entity business premises means:

- (a) premises, or a part of premises, used wholly or partly for the purposes of the business operations of:
 - (i) a reporting entity; or
 - (ii) an agent of a reporting entity; or
- (b) premises, or a part of premises, used wholly or partly for the purposes of the storage (whether in electronic form or otherwise) of records relating to the business operations of:
 - (i) a reporting entity; or
 - (ii) an agent of a reporting entity;

where the occupier of the premises, or the part of premises, carries on a business of storing records at the premises or the part of premises.

reporting group: see subsection 10A(1).

representative office, of a foreign bank, is an office of the foreign bank in Australia in respect of which the foreign bank has written consent to establish the representative office in Australia for the purposes of section 67 of the *Banking Act 1959*.

resident of a country has the meaning given by section 14.

reviewable decision has the meaning given by section 233B.

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RSA (short for retirement savings account) has the same meaning as in the *Retirement Savings Accounts Act 1997*.

RSA provider (short for retirement savings account provider) has the same meaning as in the *Retirement Savings Accounts Act 1997*.

Secretary means the Secretary of the Department.

security: see subsections 7A(1) and (2).

self managed superannuation fund has the same meaning as in the *Superannuation Industry (Supervision) Act 1993*.

send, in relation to a monetary instrument, includes send through the post.

senior manager of a reporting entity means an individual who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the reporting entity.

senior member of an agency: see subsection 39B(3).

serious offence: see subsection 39B(2).

shell bank has the meaning given by section 94A.

signatory, in relation to an account with an account provider, means the account holder or a person authorised by the account holder to manage or exercise effective control of the account, whether alone or jointly with one or more other persons.

sinking fund policy has the same meaning as in the *Life Insurance Act 1995*.

spouse of a person includes a de facto partner of the person within the meaning of the *Acts Interpretation Act 1901*.

statement, in relation to an examination under Division 3 of Part 14, includes a question asked, an answer given, and any other comment or remark made, at the examination.

state of mind of a person includes:

- (a) the knowledge, intention, opinion, suspicion, belief or purpose of the person; and
- (b) the person's reasons for the intention, opinion, belief or purpose.

State/Territory Royal Commission means:

- (a) a Royal Commission of a State or Territory; or
- (b) a commission of inquiry of a State or Territory.

stored value card means a thing (whether real or virtual):

- (a) that stores monetary value other than physical currency; or
- (b) that gives access to monetary value stored in a form other than physical currency; or
- (c) that is prescribed by the AML/CTF Rules;

but does not include:

- (d) a debit card or a credit card; or
- (e) an account for the purposes of items 1 to 3 of table 1 in section 6 or items 11 to 13 of table 3 in section 6; or
- (f) unless prescribed by the AML/CTF Rules for the purposes of paragraph (c):
 - (i) a thing that is intended to give access to monetary value in a debit card or credit card account; or
 - (ii) a gaming chip or token, or a betting instrument; or
 - (iii) a virtual asset (whether or not pegged to any currency); or
 - (iv) a thing that stores, or gives access to, virtual assets (whether or not pegged to any currency); or
 - (v) a card or other thing that is only used to store or access monetary value for the purposes of purchasing an entry into a lottery or redeeming winnings in respect of a lottery, where the monetary value is denominated in a currency, or is pegged by its issuer to a currency, stored in a form other than physical currency; or
- (g) a thing that, under the AML/CTF Rules, is taken not to be a stored value card.

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subdivision arrangement means:

- (a) an arrangement:
 - (i) under which the title (whether freehold or leasehold) to a portion of land is subdivided into separate freehold or leasehold titles relating to smaller portions of land within the first-mentioned portion; and
 - (ii) under which property that is common between the owners or occupiers of the smaller portions is owned or managed by a single body corporate (however described); and
 - (iii) that exists under a law, of the State or Territory in which the land is located, relating to “strata titles”, “community titles”, “unit titles”, “cluster titles” or something referred to by another term reflecting the features referred to in subparagraphs (i) and (ii); or
- (b) an arrangement under which:
 - (i) a body corporate owns an interest (whether freehold or leasehold) in land; and
 - (ii) under the constitution of the body corporate, a holder of shares in the body has, or may be granted, a right to occupy or use some or all of the land, whether the right is by way of a lease or licence or otherwise; or
- (c) an arrangement in relation to which all of the following subparagraphs apply:
 - (i) under the arrangement, an interest (whether freehold or leasehold) in land is held on trust;
 - (ii) under the terms of the trust, a holder of an interest in the trust has, or may be granted, a right to occupy or use part of the land, whether the right is by way of a lease or licence or otherwise;
 - (iii) the trustee of the trust is a body corporate;
 - (iv) there are at least 2 distinct parts of the land for which subparagraph (ii) is satisfied.

subject to a requirement includes subject to a prohibition.

subsidiary has the same meaning as in the *Corporations Act 2001*.

superannuation fund has the same meaning as in the *Superannuation Industry (Supervision) Act 1993*.

suspicious matter reporting obligation has the meaning given by subsection 41(1).

taxation law has the same meaning as in the *Taxation Administration Act 1953*.

taxation officer means:

- (a) a Second Commissioner of Taxation; or
- (b) a Deputy Commissioner of Taxation; or
- (c) a person appointed or engaged under the *Public Service Act 1999* and performing duties in the Australian Taxation Office.

threshold transaction means:

- (a) a transaction involving the transfer of physical currency, where the total amount of physical currency transferred is not less than \$10,000; or
- (c) if:
 - (i) the regulations provide that this definition applies to a specified transaction involving money; and
 - (ii) the regulations provide that a specified amount is the transaction threshold for the specified transaction; the specified transaction, where the total amount transferred is not less than the transaction threshold for the transaction; or
- (ca) if:
 - (i) the regulations provide that this definition applies to a specified transaction involving a virtual asset; and
 - (ii) the regulations provide that a specified amount or value is the transaction threshold for the specified transaction; the specified transaction, where the total amount or value transferred is not less than the transaction threshold for the transaction; or

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- (d) if:
- (i) the regulations provide that this definition applies to a specified transaction involving the transfer of property; and
 - (ii) the regulations provide that a specified amount is the transaction threshold for the specified transaction; the specified transaction, where the total value transferred is not less than the transaction threshold for the transaction.

Paragraph (a) does not limit paragraph (c).

Note 1: See also section 18 (translation of foreign currency to Australian currency).

Note 2: See also section 19 (translation of virtual assets to Australian currency).

Note 3: For specification by class, see subsection 13(3) of the *Legislation Act 2003*.

totalisator agency board means a board or authority established, or a company holding a licence, under a law of a State or Territory for purposes that include the purpose of operating a betting service.

transaction includes a transaction of a non-commercial nature.

transfer includes any act or thing, or any series or combination of acts or things, that may reasonably be regarded as the economic equivalent of a transfer (for example, debiting an amount from a person's account and crediting an equivalent amount to another person's account).

transfer message, for a transfer of value, means a message that contains information relating to the content of the payer's instruction for the transfer of value, but does not include a message of a kind specified in the AML/CTF Rules.

transfer of value means a transfer of money, virtual assets or property, but does not include:

- (a) a transfer of physical currency or other tangible property; or
- (b) a transfer of a kind specified in the AML/CTF Rules.

trust means a person in the capacity of trustee or, as the case requires, a trust estate.

trustee has the same meaning as in the *Income Tax Assessment Act 1997*.

trust estate has the same meaning as in the *Income Tax Assessment Act 1997*.

unincorporated association means an unincorporated association or body of persons.

value, in relation to transferred property, means the market value of the property as at the time of the transfer. In working out the market value of the property, disregard anything that would prevent or restrict conversion of the property to money.

value transfer chain: see subsection 63A(11).

verification request, in relation to an individual, means a request made by a reporting entity under paragraph 35A(1)(b) for an assessment in relation to the individual.

virtual asset has the meaning given by section 5B.

virtual asset safekeeping service:

- (a) means a service in which virtual assets or private keys are controlled or managed for or on behalf of a person (the **customer**) or another person nominated by the customer under an arrangement between the provider of the service and the customer, or between the provider of the service and another person with whom the customer has an arrangement (whether or not there are also other parties to any such arrangement); but
- (b) does not include a service of a kind prescribed by the AML/CTF Rules.

Virtual Asset Service Provider Register has the meaning given by section 76B.

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warrant premises, in relation to a monitoring warrant, means the premises to which the warrant relates.

written record, in relation to an examination under Division 3 of Part 14, means:

- (a) a record of the examination:
 - (i) that is made in writing; or
 - (ii) as reduced to writing; or
- (b) a part of such a record.

5A Precious metal, precious stones and precious products

Precious metal

- (1) Each of the following substances is a **precious metal**:
 - (a) gold;
 - (b) silver;
 - (c) platinum;
 - (d) iridium;
 - (e) osmium;
 - (f) palladium;
 - (g) rhodium;
 - (h) ruthenium;
 - (i) a substance prescribed by the AML/CTF Rules;
 - (j) an alloy substance with at least 2% in weight of any of the substances mentioned in paragraphs (a) to (i).
- (2) For the purposes of subsection (1), it is immaterial whether the substance is in a manufactured or unmanufactured state.

Precious stones

- (3) A **precious stone** is a substance that:
 - (a) has gem quality; and
 - (b) has market-recognised beauty, rarity and value.

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- (4) For the purposes of subsection (3), it is immaterial whether the substance is natural, synthetic or reconstructed.
- (5) Without limiting subsection (3), each of the following substances is a kind of *precious stone*:
- (a) beryl;
 - (b) corundum;
 - (c) diamond;
 - (d) garnet;
 - (e) jadeite jade;
 - (f) opal;
 - (g) pearl;
 - (h) topaz;
 - (i) a substance prescribed by the AML/CTF Rules.

Precious products

- (6) A *precious product* is any of the following that is made up of, containing or having attached to it, any precious metal or precious stone, or both:
- (a) jewellery;
 - (b) a watch;
 - (c) an object of personal adornment not otherwise covered by paragraph (a) or (b);
 - (d) an article of goldsmiths' or silversmiths' wares.

Examples: A stainless steel watch with rubies set on the watch face, a platinum tie bar or a gold and pearl necklace.

- (7) In subsection (6):

goldsmiths' or silversmiths' wares include such articles as ornaments, tableware, smokers' requisites and other articles of personal, household, office or religious use.

5B Meaning of *virtual asset*

- (1) A *virtual asset* is a digital representation of value that:
-

Section 5B

- (a) functions as any of the following:
 - (i) a medium of exchange;
 - (ii) a store of economic value;
 - (iii) a unit of account;
 - (iv) an investment; and
 - (b) is not issued by or under the authority of a government body; and
 - (c) may be transferred, stored or traded electronically.
- (2) A **virtual asset** is a digital representation of value that:
- (a) enables a person to vote on the management, administration or governance of arrangements connected with a digital representation of value; and
 - (b) is not issued by or under the authority of a government body; and
 - (c) may be transferred, stored or traded electronically.
- (3) A **virtual asset** is a digital representation of value of a kind prescribed by the AML/CTF Rules.
- (4) However, the following are not **virtual assets**:
- (a) money;
 - (b) a digital representation of value used exclusively within an electronic game;
 - (c) customer loyalty or reward points;
 - (d) a digital representation of value that is:
 - (i) similar to a thing mentioned in paragraph (b) or (c); and
 - (ii) not intended by the issuer to be convertible into another digital representation of value or money;
 - (e) a digital representation of value prescribed by the AML/CTF Rules.

6 Designated services

- (1) For the purposes of this Act, the following tables define:
- (a) the provision of a *designated service*; and
 - (b) the person (the *customer*) to whom the designated service is provided.

Table 1—Financial services

- (2) Table 1 is as follows:

Table 1—Financial services		
Item	Provision of a designated service	Customer of the designated service
1	<p>in the capacity of account provider, opening an account, where the account provider is:</p> <ol style="list-style-type: none"> (a) an ADI; or (b) a bank; or (c) a building society; or (d) a credit union; or (e) a credit card issuer; or (f) a credit card acquirer; or (g) a person specified in the AML/CTF Rules 	the holder of the account
2	<p>in the capacity of account provider for a new or existing account, allowing a person to become a signatory to the account, where the account provider is:</p> <ol style="list-style-type: none"> (a) an ADI; or (b) a bank; or (c) a building society; or (d) a credit union; or (e) a credit card issuer; or (f) a credit card acquirer; or 	the signatory

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
	(g) a person specified in the AML/CTF Rules	
3	<p>in the capacity of account provider for an account, allowing a transaction to be conducted in relation to the account, where the account provider is:</p> <p>(a) an ADI; or (b) a bank; or (c) a building society; or (d) a credit union; or (e) a credit card issuer; or (f) a credit card acquirer; or (g) a person specified in the AML/CTF Rules</p>	<p>both:</p> <p>(a) the holder of the account; and (b) each other signatory to the account</p>
4	<p>accepting money on deposit (otherwise than by way of deposit to an account), where the deposit-taker is:</p> <p>(a) an ADI; or (b) a bank; or (c) a building society; or (d) a credit union; or (e) a person specified in the AML/CTF Rules</p>	the person in whose name the deposit is held
5	<p>in the capacity of deposit-taker for a deposit, allowing a transaction to be conducted in relation to the deposit, where the deposit-taker is:</p> <p>(a) an ADI; or (b) a bank; or (c) a building society; or (d) a credit union; or</p>	the person in whose name the deposit is held

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
	(e) a person specified in the AML/CTF Rules	
6	making a loan, where the loan is made in the course of carrying on a loans business	the borrower
7	in the capacity of: (a) lender for a loan; or (b) assignee (whether immediate or otherwise) of the lender for a loan; allowing the borrower to conduct a transaction in relation to the loan, where the loan was made in the course of carrying on a loans business	the borrower
8	factoring a receivable, where the receivable is factored in the course of carrying on a factoring business	the person whose receivable is factored
9	forfaiting: (a) a bill of exchange; or (b) a promissory note; where the bill or note is forfeited in the course of carrying on a forfaiting business	the person whose bill or note is forfeited
10	supplying goods by way of lease under a finance lease, where: (a) the goods are not acquired by a consumer (within the meaning of section 4B of the <i>Competition and Consumer Act 2010</i>); and (b) the supply is in the course of carrying on a finance leasing business	the lessee

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
11	<p>in the capacity of lessor under a finance lease, allowing the lessee to conduct a transaction in relation to the lease, where:</p> <p>(a) the goods were not acquired by a consumer (within the meaning of section 4B of the <i>Competition and Consumer Act 2010</i>); and</p> <p>(b) the supply was in the course of carrying on a finance leasing business</p>	the lessee
12	<p>supplying goods to a person by way of hire-purchase, where:</p> <p>(a) the goods are not acquired by a consumer (within the meaning of section 4B of the <i>Competition and Consumer Act 2010</i>); and</p> <p>(b) the supply is in the course of carrying on a business of supplying goods</p>	the person
13	<p>in the capacity of supplier of goods to a person by way of hire-purchase, allowing the person to conduct a transaction in relation to the hire-purchase agreement concerned, where:</p> <p>(a) the goods were not acquired by a consumer (within the meaning of section 4B of the <i>Competition and Consumer Act 2010</i>); and</p> <p>(b) the supply was in the course of carrying on a business of supplying goods</p>	the person

Section 6

Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
14	in the capacity of account provider for an account, providing a chequebook, or a similar facility, that enables the holder of the account to draw a cheque on the account	the holder of the account
15	in the capacity of building society or credit union, providing a chequebook, or a similar facility, that enables the holder of an account with the building society or credit union to draw a cheque on an account held by the building society or credit union	the holder of the account with the building society or credit union
16	in the capacity of trustee or manager of a trust, providing a chequebook, or a similar facility, that enables the holder of a beneficial interest in the trust to draw a cheque on an account held by the trustee or manager of the trust	the holder of the beneficial interest in the trust
17	issuing: (a) a bill of exchange; or (b) a promissory note; or (c) a letter of credit; to a person, where the bill, note or letter is issued by: (d) an ADI; or (e) a bank; or (f) a building society; or (g) a credit union; or (h) a person specified in the AML/CTF Rules	the person

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
18	issuing a debit card that enables the holder of an account to debit the account, where the account provider is: (a) an ADI; or (b) a bank; or (c) a building society; or (d) a credit union; or (e) a person specified in the AML/CTF Rules	the holder of the account
18A	issuing a debit card that enables a signatory to an account (other than the holder of the account) to debit the account, where the account provider is: (a) an ADI; or (b) a bank; or (c) a building society; or (d) a credit union; or (e) a person specified in the AML/CTF Rules	the signatory
19	in the capacity of building society or credit union, issuing a debit card that enables the holder of an account with the building society or credit union to debit an account held by the building society or credit union, where the account provider of the last-mentioned account is: (a) an ADI; or (b) a bank; or (c) a person specified in the AML/CTF Rules	the holder of the account with building society or credit union

Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
19A	<p>in the capacity of building society or credit union, issuing a debit card that enables a signatory to an account with the building society or credit union (other than the holder of the account with the building society or credit union) to debit an account held by the building society or credit union, where the account provider of the last-mentioned account is:</p> <p>(a) an ADI; or</p> <p>(b) a bank; or</p> <p>(c) a person specified in the AML/CTF Rules</p>	the signatory
20	<p>in the capacity of trustee or manager of a trust, issuing a debit card that enables the holder of a beneficial interest in the trust to debit an account held by the trustee or manager of the trust, where the account provider is:</p> <p>(a) an ADI; or</p> <p>(b) a bank; or</p> <p>(c) a building society; or</p> <p>(d) a credit union; or</p> <p>(e) a person specified in the AML/CTF Rules</p>	the holder of the beneficial interest in the trust

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
20A	<p>in the capacity of trustee or manager of a trust, issuing a debit card that enables a signatory authorised by the holder of a beneficial interest in the trust to debit an account held by the trustee or manager of the trust, where the account provider is:</p> <p>(a) an ADI; or</p> <p>(b) a bank; or</p> <p>(c) a building society; or</p> <p>(d) a credit union; or</p> <p>(e) a person specified in the AML/CTF Rules</p>	the signatory
21	<p>issuing a stored value card to a person, where:</p> <p>(a) the whole or a part of the monetary value stored in connection with the card may be withdrawn in cash; and</p> <p>(b) the monetary value stored in connection with the card is not less than:</p> <p>(i) \$1,000; or</p> <p>(ii) if another amount is specified in the regulations—that other amount</p>	the person

Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
22	<p>increasing the monetary value stored in connection with a stored value card held by a person, where:</p> <p>(a) the whole or a part of the monetary value stored in connection with the card may be withdrawn in cash; and</p> <p>(b) the increased monetary value is not less than:</p> <p>(i) \$1,000; or</p> <p>(ii) if another amount is specified in the regulations—that other amount</p>	the person
23	<p>issuing a stored value card to a person, where:</p> <p>(a) no part of the monetary value stored in connection with the card may be withdrawn in cash; and</p> <p>(b) the monetary value stored in connection with the card is not less than:</p> <p>(i) \$5,000; or</p> <p>(ii) if another amount is specified in the regulations—that other amount</p>	the person

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
24	increasing the monetary value stored in connection with a stored value card held by a person, where: <ul style="list-style-type: none"> (a) no part of the monetary value stored in connection with the card may be withdrawn in cash; and (b) the increased monetary value is not less than: <ul style="list-style-type: none"> (i) \$5,000; or (ii) if another amount is specified in the regulations—that other amount 	the person
25	issuing a traveller's cheque to a person	the person
26	in the capacity of issuer of a traveller's cheque, cashing or redeeming a traveller's cheque held by a person	the person
27	issuing a money order, postal order or similar order to a person, where the face value of the order is not less than: <ul style="list-style-type: none"> (a) \$1,000; or (b) if another amount is specified in the regulations—that other amount 	the person

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
28	in the capacity of issuer of a money order, postal order or similar order, cashing or redeeming a money order, postal order or similar order held by a person, where the face value of the order is not less than: (a) \$1,000; or (b) if another amount is specified in the regulations—that other amount	the person
29	in the capacity of ordering institution, accepting an instruction for the transfer of value on behalf of a payer	the payer
30	in the capacity of beneficiary institution, in relation to a transfer of value, making the transferred value available to a payee	the payee
31	in the capacity of intermediary institution, passing on a transfer message for a transfer of value in a value transfer chain to another intermediary institution or to the beneficiary institution	the ordering institution or intermediary institution from which the transfer message is received (as the case may be)
32A	operating a network of persons by providing a platform or operating system (however described), where: (a) the persons in the network provide a designated service referred to in item 29 or 30 by means of the platform or operating system; and (b) the operator is not a financial institution.	the person who provides designated services as part of the network

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
33	in the capacity of agent of a person, acquiring or disposing of: (a) a security; or (b) a derivative; or (ba) an Australian carbon credit unit; or (bb) an eligible international emissions unit; or (c) a foreign exchange contract; on behalf of the person, where: (d) the acquisition or disposal is in the course of carrying on a business of acquiring or disposing of securities, derivatives, Australian carbon credit units, eligible international emissions units or foreign exchange contracts in the capacity of agent; and (e) the service is not specified in the AML/CTF Rules	the person

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
34	<p>in the capacity of agent of a person, acquiring or disposing of:</p> <p>(a) a bill of exchange; or</p> <p>(b) a promissory note; or</p> <p>(c) a letter of credit;</p> <p>on behalf of the person, where:</p> <p>(d) the acquisition or disposal is in the course of carrying on a business of acquiring or disposing of bills of exchange, promissory notes or letters of credit in the capacity of agent; and</p> <p>(e) the service is not specified in the AML/CTF Rules</p>	the person
35	<p>issuing or selling a security or derivative to a person, where:</p> <p>(a) the issue or sale is in the course of carrying on a business of issuing or selling securities or derivatives; and</p> <p>(b) in the case of an issue of a security or derivative—the issue does not consist of the issue by a company of either of the following:</p> <p>(i) a security of the company (other than an interest in a managed investment scheme); or</p> <p>(ii) an option to acquire a security of the company (other than an option to acquire an interest in a managed investment scheme); and</p>	the person

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
	(ba) in the case of an issue of a security or derivative—the issue does not consist of the issue by a government body of a security of the government body or of an option to acquire a security of the government body; and (c) in the case of an issue of a security or derivative—the issue is not an exempt financial market operator issue; and (d) such other conditions (if any) as are set out in the AML/CTF Rules are satisfied	
36	in the capacity of issuer of a bearer bond, redeeming a bearer bond	the person to whom the proceeds of the redemption are paid
37	issuing, or undertaking liability as the insurer under, a life policy or sinking fund policy	the holder of the policy
38	in the capacity of insurer for a life policy or sinking fund policy, accepting a premium in relation to the policy	the holder of the policy
39	in the capacity of insurer for a life policy or sinking fund policy, making a payment to a person under the policy	the person
40	in the capacity of provider of a pension or annuity, accepting	the person to whom the pension or annuity is to be paid

Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
	<p>payment of the purchase price for a new pension or annuity, where:</p> <p>(a) the provider is not a self managed superannuation fund;</p> <p>or</p> <p>(b) the pension or annuity is provided in the course of carrying on a business of providing pensions or annuities</p>	
41	<p>in the capacity of provider of a pension or annuity, making a payment to a person by way of:</p> <p>(a) a payment of the pension or annuity; or</p> <p>(b) an amount resulting from the commutation, in whole or in part, of the pension or annuity; or</p> <p>(c) the residual capital value of the pension or annuity;</p> <p>where the provider is not a self managed superannuation fund</p>	the person
42	<p>in the capacity of trustee of:</p> <p>(a) a superannuation fund (other than a self managed superannuation fund); or</p> <p>(b) an approved deposit fund;</p> <p>accepting a contribution, roll-over or transfer in respect of a new or existing member of the fund</p>	the member

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
43	in the capacity of trustee of: (a) a superannuation fund (other than a self managed superannuation fund); or (b) an approved deposit fund; cashing the whole or a part of an interest held by a member of the fund	the member, or if the member has died, the person, or each of the persons, who receives the cashed whole or a cashed part of the relevant interest
44	in the capacity of RSA provider, accepting a contribution, roll-over or transfer to an RSA in respect of a new or existing RSA holder	the RSA holder
45	in the capacity of RSA provider, cashing the whole or a part of an interest held by an RSA holder	the RSA holder, or if the RSA holder has died, the person, or each of the persons, who receives the cashed whole or a cashed part of the relevant interest
46	providing a custodial or depository service, where: (a) the service is provided in the course of carrying on a business of providing custodial or depository services; and (b) the service is not specified in the AML/CTF Rules	the client of the service
46A	providing a virtual asset safekeeping service, where the service is provided in the course of carrying on a business as a virtual asset service provider	the customer of the service
47	providing a safe deposit box, or similar facility, where: (a) the service is provided in the course of carrying on a business	the person who is, or each of the persons who are, authorised to lodge items in the safe deposit box or similar facility

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
	<p>of providing safe deposit boxes or similar facilities; and</p> <p>(b) the service is not provided in the course of carrying on a business that provides short-term accommodation for travellers; and</p> <p>(c) the service is not specified in the AML/CTF Rules</p>	
48	guaranteeing a loan, where the guarantee is given in the course of carrying on a business of guaranteeing loans	both: (a) the lender; and (b) the borrower
49	in the capacity of guarantor of a loan, making a payment to the lender, where the guarantee was given in the course of carrying on a business of guaranteeing loans	both: (a) the lender; and (b) the borrower
50	exchanging one currency (whether Australian or not) for another (whether Australian or not), where the exchange is provided in the course of carrying on a currency exchange business	the person whose currency is exchanged
50A	<p>exchanging, or making arrangements for the exchange of:</p> <p>(a) a virtual asset for money (whether Australian or not); or</p> <p>(b) money (whether Australian or not) for a virtual asset;</p> <p>for a person, in the course of carrying on a business as a virtual asset service provider</p>	the person whose virtual asset or money is exchanged

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Table 1—Financial services

Item	Provision of a designated service	Customer of the designated service
50B	exchanging, or making arrangements for the exchange of, a virtual asset for another virtual asset (whether or not of the same or a different kind) in the course of carrying on a business as a virtual asset service provider	the person whose virtual asset is exchanged
50C	providing a designated service mentioned in another item of this table in connection with the offer or sale of a virtual asset, where the service is provided in the course of carrying on a business participating in the offer or sale	the customer mentioned in the item
52	preparing a pay-roll, on behalf of a person, in whole or in part from physical currency collected, where the service is provided in the course of carrying on a business of preparing pay-rolls	the person
54	in the capacity of holder of an Australian financial services licence, making arrangements for a person to receive a designated service (other than a service covered by this item)	the person

Note 1: For specification by class, see subsection 13(3) of the *Legislation Act 2003*.

Note 2: For the purposes of item 35 of the table, a notified foreign passport fund is a managed investment scheme, see the definition of *managed investment scheme* in section 5.

Table 2—Bullion and precious metals, stones and products

(3) Table 2 is as follows:

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Table 2—Bullion and precious metals, stones and products

Item	Provision of a designated service	Customer of the designated service
1	buying or selling bullion, where the buying or selling is in the course of carrying on a bullion-dealing business	the buyer or the seller (as the case may be)
2	buying or selling one or more of the following items in the course of carrying on a business, where the purchase involves the transfer of physical currency or virtual assets (or a combination of physical currency and virtual assets) with a total value of not less than \$10,000, whether the purchase is made in a single transaction or in several transactions that are linked or appear to be linked: (a) precious metal; (b) precious stones; (c) precious products; (d) any combination of any 2 or more of the items referred to in paragraphs (a) to (c)	the buyer or the seller (as the case may be)

Table 3—Gambling services

(4) Table 3 is as follows:

Table 3—Gambling services

Item	Provision of a designated service	Customer of the designated service
1	receiving or accepting a bet placed or made by a person, where the service is provided in the course of carrying on a gambling business	the person

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Table 3—Gambling services

Item	Provision of a designated service	Customer of the designated service
2	placing or making a bet on behalf of a person, where the service is provided in the course of carrying on a gambling business	the person
3	introducing a person who wishes to make or place a bet to another person who is willing to receive or accept the bet, where the service is provided in the course of carrying on a gambling business	both: (a) the person who wishes to make or place the bet; and (b) the person who is willing to receive or accept the bet
4	paying out winnings in respect of a bet, where the service is provided in the course of carrying on a gambling business	the person to whom the winnings are paid
5	in the capacity of controller of an eligible gaming machine venue, allowing a person to play a game on a gaming machine located at the venue, where the service is provided in the course of carrying on a business	the person
6	accepting the entry of a person into a game, where: (a) the game is played for money or anything else of value; and (b) the game is a game of chance or of mixed chance and skill; and (c) the service is provided in the course of carrying on a gambling business; and (d) the game is not played on a gaming machine located at an eligible gaming machine venue	the person

Table 3—Gambling services

Item	Provision of a designated service	Customer of the designated service
7	exchanging money or virtual assets for gaming chips or tokens, or betting instruments, where the service is provided in the course of carrying on a business	the person whose money or virtual assets are exchanged
8	exchanging gaming chips or tokens, or betting instruments, for money or virtual assets, where the service is provided in the course of carrying on a business	the person whose gaming chips or tokens, or betting instruments, are exchanged
9	<p>paying out winnings, or awarding a prize, in respect of a game, where:</p> <p>(a) the game is played for money or anything else of value; and</p> <p>(b) the game is a game of chance or of mixed chance and skill; and</p> <p>(c) the service is provided in the course of carrying on a gambling business; and</p> <p>(d) the game is not played on a gaming machine located at an eligible gaming machine venue</p>	the person to whom the winnings are paid or the prize is awarded
10	<p>in the capacity of controller of an eligible gaming machine venue, paying out winnings, or awarding a prize, in respect of a game, where:</p> <p>(a) the game is played on a gaming machine located at the venue; and</p> <p>(b) the winnings are paid out, or the prize is awarded, by the controller as agent of the owner or lessee of the gaming machine; and</p>	the person to whom the winnings are paid or the prize is awarded

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Table 3—Gambling services

Item	Provision of a designated service	Customer of the designated service
	(c) the service is provided in the course of carrying on a business	
11	<p>in the capacity of account provider, opening an account, where:</p> <p>(a) the account provider is a person who provides a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and</p> <p>(b) the purpose, or one of the purposes, of the account is to facilitate the provision of a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and</p> <p>(c) the service is provided in the course of carrying on a gambling business</p>	the holder of the account
12	<p>in the capacity of account provider for a new or existing account, allowing a person to become a signatory to the account, where:</p> <p>(a) the account provider is a person who provides a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and</p> <p>(b) the purpose, or one of the purposes, of the account is to facilitate the provision of a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and</p> <p>(c) the service is provided in the course of carrying on a gambling business</p>	the signatory

Table 3—Gambling services

Item	Provision of a designated service	Customer of the designated service
13	<p>in the capacity of account provider for an account, allowing a transaction to be conducted in relation to the account, where:</p> <p>(a) the account provider is a person who provides a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and</p> <p>(b) the purpose, or one of the purposes, of the account is to facilitate the provision of a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and</p> <p>(c) the service is provided in the course of carrying on a gambling business</p>	<p>both:</p> <p>(a) the holder of the account; and</p> <p>(b) each other signatory to the account</p>
14	<p>exchanging one currency (whether Australian or not) for another (whether Australian or not), where:</p> <p>(a) the exchange is provided by a person who provides a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and</p> <p>(b) the service is provided in the course of carrying on a business</p>	<p>the person whose currency is exchanged</p>

Table 4—Prescribed services

(5) Table 4 is as follows:

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Table 4—Prescribed services

Item	Provision of a designated service	Customer of the designated service
1	providing a service specified in the regulations	the person who, under the regulations, is taken to be the person to whom the service is provided

Table 5—Real estate services

(5A) Table 5 is as follows:

Table 5—Real estate services

Item	Provision of a designated service	Customer of the designated service
1	brokering the sale, purchase or transfer of real estate on behalf of a buyer, seller, transferee or transferor in the course of carrying on a business	both: (a) the seller or transferor; and (b) the buyer or transferee
2	selling or transferring real estate in the course of carrying on a business selling real estate, where the sale or transfer is not brokered by an independent real estate agent	the buyer or transferee

Table 6—Professional services

(5B) Table 6 is as follows:

Table 6—Professional services

Item	Provision of a designated service	Customer of the designated service
1	assisting a person in the planning or execution of a transaction, or otherwise acting for or on behalf of a person in a transaction, to sell, buy	the person

Table 6—Professional services

Item	Provision of a designated service	Customer of the designated service
	<p>or otherwise transfer real estate, where:</p> <p>(a) the service is provided in the course of carrying on a business; and</p> <p>(b) the sale, purchase or other transfer is not pursuant to, or resulting from, an order of a court or tribunal</p>	
2	<p>assisting a person in the planning or execution of a transaction, or otherwise acting for or on behalf of a person in a transaction, to sell, buy or otherwise transfer a body corporate or legal arrangement, where:</p> <p>(a) the service is provided in the course of carrying on a business; and</p> <p>(b) the sale, purchase or other transfer is not pursuant to, or resulting from, an order of a court or tribunal</p>	the person
3	<p>receiving, holding and controlling (including disbursing) or managing a person's:</p> <p>(a) money; or</p> <p>(b) accounts; or</p> <p>(c) securities and securities accounts; or</p> <p>(d) virtual assets; or</p> <p>(e) other property;</p> <p>as part of assisting the person in the planning or execution of a</p>	the person

Section 6

Table 6—Professional services

Item	Provision of a designated service	Customer of the designated service
	transaction, or otherwise acting for or on behalf of a person in a transaction, in the course of carrying on a business (other than in a circumstance covered by subsection (5C))	
4	<p>assisting a person in organising, planning or executing a transaction, or otherwise acting for or on behalf of a person in a transaction, for equity or debt financing relating to:</p> <p>(a) a body corporate (or proposed body corporate); or</p> <p>(b) a legal arrangement (or proposed legal arrangement);</p> <p>in the course of carrying on a business</p>	the person
5	selling or transferring a shelf company, in the course of carrying on a business	the buyer or transferee
6	<p>assisting a person to plan or execute, or otherwise acting on behalf of a person in, the creation or restructuring of:</p> <p>(a) a body corporate (other than a corporation under the <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i>); or</p> <p>(b) a legal arrangement;</p> <p>in the course of carrying on a business</p>	<p>the person and:</p> <p>(a) if the body corporate is a company and the service is creating the company—the beneficial owners and directors of the company; or</p> <p>(b) if the legal arrangement is an express trust and the service is creating the express trust—the trustee, settlor and beneficiaries of the trust</p>
7	acting as, or arranging for another person to act as, any of the	the nominator

Section 6

Table 6—Professional services

Item	Provision of a designated service	Customer of the designated service
	<p>following, on behalf of a person (the <i>nominator</i>), in the course of carrying on a business:</p> <p>(a) a director or secretary of a company;</p> <p>(b) a power of attorney of a body corporate or legal arrangement;</p> <p>(c) a partner in a partnership;</p> <p>(d) a trustee of an express trust;</p> <p>(e) a position in any other legal arrangement that is functionally equivalent to a position mentioned in any of the above paragraphs;</p> <p>other than in a circumstance covered by subsection (5E)</p>	
8	acting as, or arranging for another person to act as, a nominee shareholder of a body corporate or legal arrangement, on behalf of a person (the <i>nominator</i>), in the course of carrying on a business	the nominator
9	providing a registered office address or principal place of business address of a body corporate or legal arrangement, in the course of carrying on a business	the person to whom the service is provided

(5C) For the purposes of item 3 of the table in subsection (5B), the circumstances are as follows:

- (a) the money, accounts, securities, securities accounts, virtual assets or other property being held or managed is payment by the person for the provision of goods or services by the business;

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- (b) both:
 - (i) the business does not provide any designated services other than the services referred to in item 3 of the table in subsection (5B); and
 - (ii) the money, accounts, securities, securities accounts, virtual assets or other property being held or managed is for payments reasonably incidental to the provision by the business of a service that is not a designated service;
- (c) the money, accounts, securities, securities accounts, virtual assets or other property being held or managed is to be received or payable under an order of a court or tribunal;
- (d) the service provided by the business is the receipt or disbursement of a payment mentioned in subsection (5D);
- (e) the service is any other designated service;
- (f) a circumstance specified in the AML/CTF Rules.

Note: An example of a circumstance to which paragraph (b) applies is fees paid to a barrister for representation in legal proceedings or property management services.

(5D) For the purposes of paragraph (5C)(d), the payments are:

- (a) a payment to or from any of the following:
 - (i) a government body;
 - (ii) a court or tribunal of the Commonwealth, a State, a Territory or a foreign country;
 - (iii) a public international organisation;
 - (iv) a person who is licensed under a law of the Commonwealth, a State or a Territory to provide insurance, including self-insured licensees; or
- (b) a payment of a kind specified in the AML/CTF Rules.

(5E) For the purposes of item 7 of the table in subsection (5B), the circumstances are:

- (a) acting, or arranging for another person to act, in a fiduciary capacity pursuant to, or as a result of, an order of a court or a tribunal; or

- (b) acting as the trustee of a regulated debtor's estate (within the meaning of Schedule 2 to the *Bankruptcy Act 1966*); or
- (c) a circumstance specified in the AML/CTF Rules.

Geographical link

- (6) An item of a table in this section, other than item 32A of table 1, does not apply to the provision by a person of a service to a customer unless:
 - (a) the service is provided at or through a permanent establishment of the person in Australia; or
 - (b) both of the following subparagraphs apply:
 - (i) the person is a resident of Australia;
 - (ii) the service is provided at or through a permanent establishment of the person in a foreign country; or
 - (c) both of the following subparagraphs apply:
 - (i) the person is a subsidiary of a company that is a resident of Australia;
 - (ii) the service is provided at or through a permanent establishment of the person in a foreign country.

Note: For *resident*, see section 14.

Designated services provided within business groups

- (6A) Despite anything in this section, a service is not a **designated service** if:
 - (a) any of the following apply:
 - (i) a member of a business group provides the service to another member of the business group;
 - (ii) the service is of a kind described in item 48 of table 1 and the guarantor and borrower are members of the same business group;
 - (iii) the service is of a kind described in item 49 of table 1 and the guarantor and borrower are members of the same business group;

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- (iv) the service is of a kind specified in the AML/CTF Rules; and
- (b) the service is not of a kind specified in the AML/CTF Rules; and
- (c) the requirements (if any) specified in the AML/CTF Rules are met.

Note 1: Item 48 of table 1 covers guaranteeing a loan, where the guarantee is given in the course of carrying on a business of guaranteeing loans.

Note 2: Item 49 of table 1 covers making a payment, in the capacity of guarantor of a loan, to the lender, where the guarantee was given in the course of carrying on a business of guaranteeing loans.

Services provided by barristers on instructions of a solicitor

- (6B) Despite anything in this section, a service is not a **designated service** if the service is provided by a person in the course of legal practice as a barrister on the instructions of a solicitor, if the instructions are given in connection with the provision of a designated service.

Amendment of items

- (7) The regulations may amend an item of a table in this section.

7 Services provided jointly to 2 or more customers

- (1) For the purposes of this Act, if a designated service is provided jointly to 2 or more customers, the service is taken to have been provided to each of those customers.
- (2) For the purposes of this Act, if 2 or more persons are prospective joint customers in relation to a designated service, each of those persons is taken to be a prospective customer in relation to the designated service.

Note: See also the definition of **customer** in section 5.

7A Securities and derivatives

- (1) **Security** has the same meaning as in Chapter 7 of the *Corporations Act 2001*.
- (2) Despite subsection (1), the AML/CTF Rules may provide:
 - (a) that a specified thing is a **security**; or
 - (b) that a specified thing is not a **security**.
- (3) **Derivative** has the same meaning as in Chapter 7 of the *Corporations Act 2001*.
- (4) Despite subsection (3), the AML/CTF Rules may provide:
 - (a) that a specified thing is a **derivative**; or
 - (b) that a specified thing is not a **derivative**.

10A Key terms relating to reporting groups*Reporting group*

- (1) A **reporting group** is:
 - (a) a business group, where:
 - (i) at least one person in the group provides a designated service; and
 - (ii) each member of the group satisfies such conditions (if any) as are specified in the AML/CTF Rules; and
 - (iii) the group is not of a kind that, under the AML/CTF Rules, is ineligible to be a reporting group to which this paragraph applies; and
 - (iv) the conditions (if any) relating to changes in membership, dissolution, administration or operation of the group that are specified in the AML/CTF Rules are satisfied; or
 - (b) a group of 2 or more persons, where:
 - (i) each member of the group has elected, in writing, to be a member of the group, and the election is in force; and

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- (ii) each election was made in accordance with the AML/CTF Rules; and
 - (iii) no member of the group is a member of another group to which this paragraph applies; and
 - (iv) each member of the group satisfies such conditions (if any) as are specified in the AML/CTF Rules; and
 - (v) the group is not of a kind that, under the AML/CTF Rules, is ineligible to be a reporting group; and
 - (vi) the conditions (if any) relating to changes in membership, dissolution, administration or operation of the group that are specified in the AML/CTF Rules are satisfied.
- (1A) Subject to subsection (2A), a person may be a member of a group to which paragraph (1)(b) applies even if the person is a member of a group to which paragraph (1)(a) applies.
- (1B) The requirement in subparagraph (1)(b)(i) to make a written election does not apply in relation to a member of a group in the circumstances specified in the AML/CTF Rules.
- (2) Subparagraph (1)(b)(iii) does not apply in the circumstances specified in the AML/CTF Rules.
- (2A) If a person is a member of more than one reporting group, the AML/CTF Rules may specify circumstances in which that person is taken, for the purposes of this Act, to be a member of only one of those reporting groups.

Business groups

- (3) A **business group** is a group of 2 or more persons, where either of the following paragraphs applies:
- (a) one person in the group controls each other person in the group;
 - (b) the group meets the requirements (if any) specified in the AML/CTF Rules.

Members of reporting groups and business groups

- (4) Each person in a reporting group or a business group is a **member** of that group.

Lead entity of a reporting group

- (5) The **lead entity** of a reporting group means the person in the group that is specified in the AML/CTF Rules as the lead entity for the reporting group.

Note: The lead entity of a reporting group is a reporting entity, see the definition of **reporting entity** in section 5.

11 Meaning of control

- (1) **Control**, of a body corporate, is:
- (a) having the capacity to cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a general meeting of the body corporate; or
 - (b) directly or indirectly holding more than one half of the issued share capital of the body corporate (not including any part of the issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital, and not including mutual capital instruments within the meaning of section 167AD of the *Corporations Act 2001*); or
 - (c) having the capacity to control the composition of the body corporate's board or governing body; or
 - (d) having the capacity to determine the outcome of decisions about the body corporate's financial and operating policies, taking into account:
 - (i) the practical influence that can be exerted (rather than the rights that can be enforced); and
 - (ii) any practice or pattern of behaviour affecting the body corporate's financial or operating policies (whether or not it involves a breach of an agreement or a breach of trust).

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- (2) **Control**, of a person other than a body corporate, is:
- (a) having the capacity to control the composition of the person's board or governing body (if any); or
 - (b) having the capacity to determine the outcome of decisions about the person's financial and operating policies, taking into account:
 - (i) the practical influence that can be exerted (rather than the rights that can be enforced); and
 - (ii) any practice or pattern of behaviour affecting the person's financial or operating policies (whether or not it involves a breach of an agreement or a breach of trust).

12 Owner-managed branches of ADIs

- (1) For the purposes of this Act, if a person is a party to an exclusive arrangement with an ADI to offer designated services advertised or promoted under a single brand, trade mark or business name, the person is an **owner-managed branch** of the ADI.
- (2) For the purposes of this Act, if an owner-managed branch of an ADI proposes to provide, commences to provide, or provides, such a designated service, the designated service is taken to have been proposed to be provided, to have been commenced to have been provided, or to have been provided, as the case requires, by the ADI.

13 Eligible gaming machine venues

For the purposes of this Act, if:

- (a) a person (the **first person**) is in control of a particular venue; and
- (b) one or more gaming machines are located at the venue; and
- (c) the first person is neither the owner nor the lessee of the gaming machines; and
- (d) such other conditions (if any) as are specified in the AML/CTF Rules are satisfied;

then:

- (e) the venue is an *eligible gaming machine venue*; and
- (f) the first person is the *controller* of the venue.

14 Residency

Individual

- (1) For the purposes of this Act, an individual (including an individual in the capacity of trustee) is a resident of a particular country if, and only if, the individual is ordinarily resident in that country.

Note: See also subsections (7), (8) and (9).

Company

- (2) For the purposes of this Act, a company (including a company in the capacity of trustee) is a resident of a particular country if, and only if:
 - (a) the company is incorporated in that country; or
 - (b) both:
 - (i) an individual controls the company; and
 - (ii) the individual is a resident of that country.

Trust

- (3) For the purposes of this Act, a trust is a resident of a particular country if, and only if:
 - (a) the trustee, or any of the trustees, is a resident of that country; or
 - (b) both:
 - (i) an individual controls the trust; and
 - (ii) the individual is a resident of that country; or
 - (c) both:
 - (i) a person benefits or is capable (whether by the exercise of a power of appointment or otherwise) of benefiting under the trust, either directly or through any interposed companies, partnerships or trusts; and

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- (ii) the person is a resident of that country.

Partnership

- (4) For the purposes of this Act, a partnership is a resident of a particular country if, and only if, a partner is a resident of that country.

Corporation sole

- (5) For the purposes of this Act, a corporation sole is a resident of a particular country if, and only if, the corporation sole was established in that country.

Body politic

- (6) For the purposes of this Act, a body politic of, or of a part of, a particular country is a resident of that country.

When an individual is ordinarily resident in a particular country

- (7) The AML/CTF Rules may specify matters that are to be taken into account in determining, for the purposes of this section, whether an individual (including an individual in the capacity of trustee) is ordinarily resident in a particular country.
- (8) The AML/CTF Rules may provide that an individual (including an individual in the capacity of trustee) is taken, for the purposes of this section, to be ordinarily resident in a particular country if the individual satisfies one or more specified conditions.
- (9) The AML/CTF Rules may provide that an individual (including an individual in the capacity of trustee) is taken, for the purposes of this section, not to be ordinarily resident in a particular country if the individual satisfies one or more specified conditions.

Note: The expression *resident* is used in subsection 6(6) (designated services) and sections 100 (correspondent banking) and 102 (countermeasures).

16 Electronic communications

- (1) Unless the contrary intention appears, in determining the application of a provision of this Act, it is immaterial whether any act or thing is or was done wholly or partly by means of one or more electronic communications.
- (2) Subsection (1) is enacted for the avoidance of doubt.

17 Bearer negotiable instruments

- (1) A *bearer negotiable instrument* is an instrument that is one of the following that is payable to bearer:
 - (a) a bill of exchange;
 - (b) a cheque;
 - (c) a promissory note;
 - (d) a bearer bond;
 - (e) a traveller's cheque;
 - (f) a money order, postal order or similar order;
 - (g) a negotiable instrument not covered by any of the above paragraphs.
- (2) Without limiting subsection (1), an instrument is payable to bearer if the instrument:
 - (a) is endorsed without restriction; or
 - (b) does not express a payee; or
 - (c) is payable to a fictitious person; or
 - (d) is otherwise in such form that title to the instrument passes on delivery.

18 Translation of foreign currency to Australian currency

In determining, for the purposes of this Act, whether an amount of foreign currency (including an amount in which a document is denominated) is not less than an Australian dollar amount, the amount of foreign currency is to be translated to Australian currency at the exchange rate applicable at the relevant time.

19 Translation of virtual assets to Australian currency

In determining, for the purposes of this Act, whether the value of a virtual asset is not less than an Australian dollar amount, the value of the virtual asset is to be translated to Australian currency in accordance with the method specified in the AML/CTF Rules.

20 Clubs and associations

For the purposes of this Act, the fact that a club or association provides services to its members does not prevent those services from being services provided in the course of carrying on a business.

21 Permanent establishment

- (1) For the purposes of this Act, a *permanent establishment* of a person is a place at or through which the person carries on any activities or business, and includes a place where the person is carrying on activities or business through an agent.

Mobile services etc.

- (2) For the purposes of this Act, if:
- (a) a person; or
 - (b) an agent of a person acting on behalf of the person;
- provides a service while:
- (c) operating on a mobile basis; or
 - (d) travelling;
- in a particular country, the person is taken to provide the service at or through a *permanent establishment* of the person in that country.

Electronic communications

- (3) The AML/CTF Rules may provide that, if:
- (a) a person provides a specified service wholly or partly by means of one or more electronic communications; and

- (b) the conditions set out in the AML/CTF Rules are taken to be satisfied in relation to a particular country;
- then:
- (c) the service is taken, for the purposes of this Act, to be provided at or through a permanent establishment of the person in that country; and
 - (d) the service is taken, for the purposes of this Act, not to be provided at or through a permanent establishment of the person in another country.

22 Officials of Commonwealth, State or Territory agencies

- (1) For the purposes of this Act, an *official* of a Commonwealth, State or Territory agency covered by paragraph (a), (b), (c), (d), (e), (f), (g), (h), (i) or (j) of the definition of *Commonwealth, State or Territory agency* in section 5 is:
 - (a) the head (however described) of the Commonwealth, State or Territory agency; or
 - (b) a member or acting member of the Commonwealth, State or Territory agency; or
 - (c) a member of the staff of the Commonwealth, State or Territory agency; or
 - (d) an officer or employee of the Commonwealth, State or Territory agency; or
 - (e) an officer, employee or other individual under the direction of the head (however described) of the Commonwealth, State or Territory agency; or
 - (f) an individual who, under the AML/CTF Rules, is taken to be an official of the Commonwealth, State or Territory agency for the purposes of this Act;and, in the case of a Commonwealth Royal Commission or a State/Territory Royal Commission, includes the following:
 - (g) a legal practitioner (however described) appointed to assist the Commission;
 - (h) a person authorised under subsection (3).

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- (2) For the purposes of this Act, an **official** of a Commonwealth, State or Territory agency covered by paragraph (k) of the definition of **Commonwealth, State or Territory agency** in section 5 is:
- (a) the person who holds the office or appointment; or
 - (b) an individual who, under the AML/CTF Rules, is taken to be an official in relation to the Commonwealth, State or Territory agency for the purposes of this Act.

Royal Commissions

- (3) Either:
- (a) the sole Commissioner of a Commonwealth Royal Commission or a State/Territory Royal Commission; or
 - (b) a member of a Commonwealth Royal Commission or a State/Territory Royal Commission;
- may, in writing, authorise a person assisting the Commission for the purposes of paragraph (1)(h).

Note: For revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.

- (4) An authorisation under subsection (3) is not a legislative instrument.

23 Continuity of partnerships

For the purposes of this Act, a change in the composition of a partnership does not affect the continuity of the partnership.

24 Crown to be bound

- (1) This Act binds the Crown in each of its capacities.
- (2) This Act does not make the Crown liable to a pecuniary penalty or to be prosecuted for an offence.
- (3) The protection in subsection (2) does not apply to an authority of the Crown.

25 Extension to external Territories

This Act extends to every external Territory.

26 Extra-territorial application

- (1) Unless the contrary intention appears, this Act extends to acts, omissions, matters and things outside Australia.

Note: Subsection 6(6) is an example of a contrary intention.

- (2) Section 14.1 of the *Criminal Code* does not apply to an offence against this Act.

FUTURE LAW COMPILATION

Part 1A—AML/CTF programs

Division 1—Introduction

26A Simplified outline

The following is a simplified outline of this Part:

- A reporting entity must have and comply with an AML/CTF program. An AML/CTF program comprises the reporting entity's ML/TF risk assessment and AML/CTF policies.
- The ML/TF risk assessment is an assessment of the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services.
- The AML/CTF policies must appropriately manage and mitigate those risks and ensure the reporting entity complies with this Act and instruments under this Act.
- The AML/CTF program must be appropriate to the nature, size and complexity of the reporting entity's business. For a lead entity of a reporting group, it must be appropriate to the nature, size and complexity of the business of each reporting entity in the reporting group.
- The governing body of the reporting entity has responsibilities relating to the AML/CTF program, including relating to overseeing and ensuring the reporting entity complies with the AML/CTF policies, this Act and instruments under this Act.
- The reporting entity must have an AML/CTF compliance officer. The AML/CTF compliance officer has various functions, including to oversee and coordinate the effective operation of, and compliance with, the AML/CTF policies.

26B What is an AML/CTF program?

An *AML/CTF program* of a reporting entity comprises:

- (a) the reporting entity's ML/TF risk assessment; and
- (b) the reporting entity's AML/CTF policies.

FUTURE LAW COMPILATION

Division 2—ML/TF risk assessment

26C Reporting entities must undertake an ML/TF risk assessment

- (1) A reporting entity must undertake an assessment (an *ML/TF risk assessment*) that identifies and assesses the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services.
- (2) The steps taken by a reporting entity in relation to undertaking the reporting entity's ML/TF risk assessment must be appropriate to the nature, size and complexity of the reporting entity's business.

Note: See also section 26U (business of a lead entity of a reporting group).

Additional obligations that apply to reporting entities that provide designated services at or through permanent establishments in Australia

- (3) If the reporting entity provides designated services at or through a permanent establishment of the reporting entity in Australia, the reporting entity must have regard to the following matters in undertaking an ML/TF risk assessment:
 - (a) the kinds of designated services provided, or proposed to be provided, by the reporting entity, including any new or emerging technologies relating to those services;
 - (b) the kinds of customers to whom the reporting entity's designated services are or will be provided;
 - (c) the delivery channels by which the reporting entity's designated services are or will be provided, including any new or emerging technologies relating to those delivery channels;
 - (d) the countries with which the reporting entity deals, or will deal, in providing its designated services;
 - (e) information communicated either directly or indirectly by AUSTRAC to the reporting entity that identifies or assesses

the risks associated with the reporting entity's provision of its designated services;

(f) the matters (if any) specified in the AML/CTF Rules.

(4) Subsection (3) does not limit subsection (1).

26D Reporting entities must review and update ML/TF risk assessment

Review of ML/TF risk assessment

- (1) A reporting entity must review its ML/TF risk assessment for the purpose of identifying and assessing any new or changed risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services:
- (a) if any of the following occur:
 - (i) there is a significant change to any of the matters mentioned in subsection 26C(3);
 - (ii) AUSTRAC communicates to the reporting entity information that identifies or assesses risks associated with the reporting entity's provision of its designated services;
 - (iii) circumstances specified in the AML/CTF Rules; and
 - (b) in any event—at least once every 3 years.
- (2) The review must be undertaken:
- (a) for a significant change that is within the control of the reporting entity—before the significant change occurs; or
 - (b) for a significant change that is not within the control of the reporting entity—as soon as practicable after the significant change occurs; or
 - (c) for information communicated for the purposes of subparagraph (1)(a)(ii)—as soon as practicable after the information is communicated to the reporting entity; or
 - (d) for circumstances specified in the AML/CTF Rules—at the time, or within the period, specified in the AML/CTF Rules.

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- (3) The review must be appropriate to the nature, size and complexity of the reporting entity's business.

Note: See also section 26U (business of a lead entity of a reporting group).

Updating ML/TF risk assessment

- (4) A reporting entity must update its ML/TF risk assessment to address any issues identified by a review:
- (a) for a significant change that is within the control of the reporting entity—before the significant change occurs; or
 - (b) in any other case—as soon as practicable after the review is completed.

26E Reporting entities must have up-to-date ML/TF risk assessment before providing designated services

- (1) A reporting entity must not commence to provide a designated service to a customer if the reporting entity does not comply with section 26C or 26D in relation to the designated service.
- (2) Subsection (1) is a civil penalty provision.
- (3) A reporting entity that contravenes subsection (1) commits a separate contravention of that subsection in respect of each designated service that the reporting entity provides to a customer at or through a permanent establishment of the reporting entity in Australia.
- (4) A reporting entity that contravenes subsection (1) commits a separate contravention of that subsection on each day that the reporting entity provides designated services at or through a permanent establishment of the reporting entity in a foreign country.

Division 3—AML/CTF policies

26F Reporting entities must develop and maintain AML/CTF policies

- (1) A reporting entity must develop and maintain policies, procedures, systems and controls (*AML/CTF policies*) that:
 - (a) appropriately manage and mitigate the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services; and
 - (b) ensure the reporting entity complies with the obligations imposed by this Act, the regulations and the AML/CTF Rules on the reporting entity; and
 - (c) are appropriate to the nature, size and complexity of the reporting entity's business; and
 - (d) comply with any requirements specified in the AML/CTF Rules.

Note: See also section 26U (business of a lead entity of a reporting group).

Additional obligations that apply to reporting entities that provide designated services at or through permanent establishments in Australia

- (2) Subsections (3) and (4) apply if the reporting entity provides a designated service at or through a permanent establishment of the reporting entity in Australia.
- (3) Without limiting paragraph (1)(a), the AML/CTF policies of a reporting entity must deal with the following:
 - (a) identifying significant changes to any of the matters mentioned in subsection 26C(3);
 - (b) carrying out customer due diligence in accordance with Part 2;
 - (c) reviewing and updating the AML/CTF policies in the following circumstances:

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- (i) in response to a review of the reporting entity's ML/TF risk assessment under section 26D;
 - (ii) circumstances specified in the AML/CTF Rules;
 - (d) reviewing the AML/CTF policies of the reporting entity at the intervals or with the frequency specified in the AML/CTF Rules (and in any event at least once every 3 years);
 - (e) any other matters specified in the AML/CTF Rules.
- (4) Without limiting paragraph (1)(b), the AML/CTF policies of a reporting entity must deal with the following:
- (a) if the reporting entity is not an individual—ensuring its governing body is sufficiently informed of the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services;
 - (b) designating an AML/CTF compliance officer for the reporting entity;
 - (c) designating one or more senior managers of the reporting entity as responsible for approving:
 - (i) the AML/CTF policies of the reporting entity; and
 - (ii) the ML/TF risk assessment of the reporting entity;
 - (d) undertaking due diligence in relation to persons who are, or will be, employed or otherwise engaged by the reporting entity and who perform, or will perform, functions relevant to the reporting entity's obligations under this Act;
 - (e) providing training to persons who are employed or otherwise engaged by the reporting entity and who perform, or will perform, functions relevant to the reporting entity's obligations under this Act in relation to:
 - (i) the risk of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services; and
 - (ii) the obligations imposed by this Act, the regulations and the AML/CTF Rules on the reporting entity;

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- (f) the conduct of independent evaluations of the reporting entity's AML/CTF program, including the frequency with which such evaluations must be conducted, which must:
 - (i) be appropriate to the nature, size and complexity of the reporting entity's business; and
 - (ii) be at least once every 3 years;
- (g) any other matters specified in the AML/CTF Rules.

Note: See also section 26U (business of a lead entity of a reporting group).

Additional obligations that apply to lead entities of reporting groups

- (5) Without limiting paragraph (1)(a), if a reporting entity is the lead entity of a reporting group, the AML/CTF policies of the reporting entity must deal with the following:
 - (a) ensuring the appropriate sharing of information between members of the reporting group for the following purposes:
 - (i) carrying out customer due diligence under Part 2;
 - (ii) appropriately identifying, assessing, managing and mitigating the risks of money laundering, financing of terrorism and proliferation financing that each reporting entity that is a member of the reporting group may reasonably face in providing its designated services;
 - (b) any other matters specified in the AML/CTF Rules.
- (6) Without limiting paragraph (1)(b), if a reporting entity is the lead entity of a reporting group, the AML/CTF policies of the reporting entity must deal with the following:
 - (a) ensuring the sharing of information between members of the reporting group that is necessary for the members of the reporting group who are reporting entities to comply with:
 - (i) their obligations imposed by this Act, the regulations and the AML/CTF Rules; and
 - (ii) the AML/CTF policies of the lead entity;
 - (b) if any member of the reporting group discharges an obligation imposed on another member of the reporting group by this Act, the regulations or the AML/CTF Rules:

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- (i) which members of the reporting group may discharge which obligations of which other member; and
- (ii) ensuring that each member of the reporting group that is a reporting entity makes, or has access to, records to demonstrate any discharge by another member of the reporting group of any such obligations imposed on the reporting entity;
- (c) ensuring the confidentiality and appropriate use of any information shared between members of the reporting group, including to prevent any contravention of subsection 123(1) by any member of the reporting group;
- (d) any other matters specified in the AML/CTF Rules.

Note: For other rules about how this Part applies in relation to reporting groups, see sections 26U and 236B.

AML/CTF Rules

- (7) The AML/CTF Rules may do either or both of the following:
 - (a) specify requirements that must be complied with in relation to a matter mentioned in subsection (3), (4), (5) or (6);
 - (b) set out circumstances in which the AML/CTF policies of a reporting entity are taken to comply with a matter mentioned in those subsections.

Reporting entities must develop and maintain AML/CTF policies before providing designated services

- (8) A reporting entity must not commence to provide a designated service to a customer if the reporting entity does not comply with subsection (1).

Civil penalty

- (8A) Subsection (8) is a civil penalty provision.
- (9) A reporting entity that contravenes subsection (8) commits a separate contravention of that subsection in respect of each designated service that the reporting entity provides to a customer

at or through a permanent establishment of the reporting entity in Australia.

- (10) A reporting entity that contravenes subsection (8) commits a separate contravention of that subsection on each day that the reporting entity provides designated services at or through a permanent establishment of the reporting entity in a foreign country.

Exception

- (11) Despite subsection (1), a reporting entity is not required to develop or maintain policies, procedures, systems and controls that specifically deal with the risk of proliferation financing if:
- (a) the reporting entity reasonably assesses, under section 26C or 26D, the risk of proliferation financing that the reporting entity may reasonably face as low; and
 - (b) the reporting entity reasonably assesses that its risk of proliferation financing can be appropriately managed and mitigated by its policies, procedures, systems and controls that manage and mitigate the risks of money laundering or financing of terrorism.
- (12) A person who wishes to rely on subsection (11) bears a legal burden in relation to that matter.

26G Reporting entities must comply with AML/CTF policies

- (1) A reporting entity must comply with the AML/CTF policies of the reporting entity.
- (2) If:
- (a) a reporting entity is a member of a reporting group; and
 - (b) the reporting entity is not the lead entity of the reporting group;

the reporting entity must also comply with the AML/CTF policies of the lead entity of the reporting group that apply to the reporting entity.

Part 1A AML/CTF programs

Division 3 AML/CTF policies

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Note: The lead entity of the reporting group must comply with its own AML/CTF policies under subsection (1).

(3) Subsections (1) and (2) are civil penalty provisions.

FUTURE LAW COMPILATION

Division 4—AML/CTF responsibilities of governing bodies

26H AML/CTF responsibilities of governing bodies

- (1) The governing body of a reporting entity must:
 - (a) exercise appropriate ongoing oversight of:
 - (i) the reporting entity's identification and assessment of risk for the purposes of its ML/TF risk assessment; and
 - (ii) the reporting entity's compliance with its AML/CTF policies, the Act, the regulations and the AML/CTF Rules; and
 - (b) take reasonable steps to ensure that the reporting entity:
 - (i) is appropriately identifying, assessing, managing and mitigating the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services; and
 - (ii) is otherwise complying with its AML/CTF policies, the Act, the regulations and the AML/CTF Rules.
- (2) A reporting entity contravenes this subsection if the governing body of the reporting entity contravenes subsection (1).
- (3) Subsection (2) is a civil penalty provision.

Division 5—AML/CTF compliance officers

26J Reporting entities must designate an individual as the AML/CTF compliance officer for the reporting entity

- (1) The reporting entity must designate an individual as the compliance officer (the *AML/CTF compliance officer*) for the reporting entity.

AML/CTF compliance officers must have sufficient authority etc.

- (2) A reporting entity must ensure that the individual designated as the AML/CTF compliance officer for the reporting entity:
 - (a) is a person employed or otherwise engaged by the reporting entity at management level; and
 - (b) has sufficient authority, independence and access to resources and information to ensure the individual can perform the functions of an AML/CTF compliance officer effectively.

AML/CTF compliance officers must meet certain requirements

- (3) An individual is not eligible to be designated as the AML/CTF compliance officer for a reporting entity unless the individual:
 - (a) if the reporting entity provides its designated services at or through a permanent establishment of the reporting entity in Australia—is a resident of Australia; and
 - (b) is a fit and proper person; and
 - (c) meets the requirements (if any) specified in the AML/CTF Rules.
- (4) The AML/CTF Rules may specify matters to which a reporting entity must have regard in determining whether an individual is a fit and proper person for the purposes of paragraph (3)(b).

Civil penalties

- (5) Subsection (2) is a civil penalty provision.

- (6) A reporting entity contravenes this subsection if:
- (a) the reporting entity designates an individual as its AML/CTF compliance officer; and
 - (b) the individual is not eligible under subsection (3) to be designated as the AML/CTF compliance officer for the reporting entity.
- (7) Subsection (6) is a civil penalty provision.

26K Reporting entities must have an AML/CTF compliance officer

- (1) If:
- (a) a reporting entity commences to provide a designated service; and
 - (b) an individual is not designated as the AML/CTF compliance officer for the reporting entity;
- the reporting entity must, no later than 28 days after the day on which the reporting entity commences to provide the designated service, designate an individual as the AML/CTF compliance officer for the reporting entity.
- (2) If:
- (a) a reporting entity commences to provide a designated service; and
 - (b) the individual designated as the AML/CTF compliance officer for the reporting entity ceases to be eligible under subsection 26J(3) to be so designated;
- the reporting entity must, no later than 28 days after the day on which the individual ceases to be eligible, designate another individual as the AML/CTF compliance officer for the reporting entity.
- (3) If:
- (a) a reporting entity is required under subsection (1) or (2) to designate an individual as the AML/CTF compliance officer for the reporting entity by a particular time; and
 - (b) the reporting entity does not do so by that time;

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then the obligation to comply with the requirement continues until:

- (c) the reporting entity designates an individual as the AML/CTF compliance officer for the reporting entity; or
 - (d) the reporting entity ceases to be a reporting entity;
- whichever occurs first.
- (4) A reporting entity that contravenes subsection (1) or (2) by failing to designate an individual as the AML/CTF compliance officer for the reporting entity by a particular time (the *deadline*) is taken to commit a separate contravention of that subsection on each day that occurs during the period:
 - (a) beginning on the day on which the deadline occurs; and
 - (b) ending on the day on which the reporting entity's obligation to comply with the requirement ends (see subsection (3)).
 - (5) To avoid doubt, a reporting entity does not contravene subsection (1) or (2) more than once on any particular day, even if the reporting entity commences to provide a designated service more than once on a particular day or during a particular period.
 - (6) Subsections (1) and (2) are civil penalty provisions.

26L AML/CTF compliance officer's functions

The functions of the AML/CTF compliance officer for a reporting entity are:

- (a) to oversee and coordinate the reporting entity's day-to-day compliance with this Act, the regulations and the AML/CTF Rules; and
- (b) to oversee and coordinate the effective operation of and compliance with the reporting entity's AML/CTF policies; and
- (c) to communicate, on behalf of the reporting entity, with AUSTRAC; and
- (d) to do anything incidental to or conducive to the performance of any of the above functions; and
- (e) any other functions specified in the AML/CTF Rules.

**26M Reporting entities must notify AUSTRAC of entity's
AML/CTF compliance officer**

- (1) A reporting entity must notify AUSTRAC of the individual who is designated as the reporting entity's AML/CTF compliance officer within 14 days after the individual is designated as the AML/CTF compliance officer for the reporting entity.
- (2) A notice under subsection (1):
 - (a) must be in the approved form; and
 - (b) must contain such information, and be accompanied by such documents, as is required by the approved form.
- (3) Subsection (1) is a civil penalty provision.

Division 6—AML/CTF program documentation and approvals

26N AML/CTF program documentation

- (1) A reporting entity must document the following, within the period (if any) specified in the AML/CTF Rules:
 - (a) its AML/CTF program;
 - (b) any other matter relating to the AML/CTF program of the reporting entity specified in the AML/CTF Rules.
- (2) A reporting entity must comply with subsection (1).
- (3) Subsection (2) is a civil penalty provision.
- (4) If a reporting entity is the responsible entity of a registered scheme (within the meaning of the *Corporations Act 2001*), the reporting entity's AML/CTF program may be documented in the same document as the registered scheme's compliance plan under that Act.

26P AML/CTF program approvals

- (1) A reporting entity's ML/TF risk assessment and AML/CTF policies, including any updates to either, must be approved by a senior manager of the reporting entity.
- (2) Any updates to a reporting entity's ML/TF risk assessment must be notified, in writing, to the governing body of the reporting entity as soon as practicable after the update is made.
- (3) A reporting entity must comply with a requirement under this section.
- (4) Subsection (3) is a civil penalty provision.

26Q Requests for AML/CTF documentation

- (1) The AUSTRAC CEO may, by written notice, request a reporting entity to produce one or more of the documents required by subsection 26N(1) within the period specified in the notice.
- (2) A reporting entity must comply with a notice given under subsection (1).
- (2A) If:
 - (a) a person is given a notice under subsection (1) in relation to one or more documents; and
 - (b) the person reasonably believes that the documents are privileged from being produced on the ground of legal professional privilege;the person must give the AUSTRAC CEO an LPP form in relation to the documents within the period specified in the request.

Note: For other provisions dealing with legal professional privilege, see sections 242 and 242A.
- (3) Subsections (2) and (2A) are civil penalty provisions.

Division 7—Other matters

26R AUSTRAC CEO may require reporting entity to undertake ML/TF risk assessment etc.

Scope

- (1) This section applies if the AUSTRAC CEO is satisfied that:
- (a) a reporting entity does not have an AML/CTF program; or
 - (b) the AML/CTF program of a reporting entity is not up to date; or
 - (c) the AML/CTF program of a reporting entity does not appropriately identify, assess, manage or mitigate the risk of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services.

Requirement

- (2) The AUSTRAC CEO may, by written notice given to the reporting entity, require the reporting entity to:
- (a) do one or more of the following:
 - (i) undertake and document an ML/TF risk assessment of the reporting entity;
 - (ii) review and update the ML/TF risk assessment of the reporting entity;
 - (iii) develop and document AML/CTF policies of the reporting entity;
 - (iv) review and update the AML/CTF policies of the reporting entity; and
 - (b) provide a copy of the documentation within:
 - (i) the period specified in the notice; or
 - (ii) if the AUSTRAC CEO allows a longer period—that longer period.
- (3) A person commits an offence if:

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- (a) the person is subject to a requirement under subsection (2);
and
- (b) the person engages in conduct; and
- (c) the person's conduct breaches the requirement.

Penalty: Imprisonment for 6 months or 30 penalty units, or both.

Civil penalty

- (4) A reporting entity must comply with a requirement under subsection (2).
- (5) Subsection (4) is a civil penalty provision.

26S Registered remittance affiliates of a registered remittance network provider

- (1) A reporting entity that is a registered remittance network provider must make available an AML/CTF program to its registered remittance affiliates.
- (2) Subsection (1) is a civil penalty provision.
- (3) To avoid doubt, subsection (1) does not prevent any of the registered remittance affiliates from:
 - (a) undertaking a risk assessment for the remittance affiliate; or
 - (b) developing AML/CTF policies for the remittance affiliate.
- (4) If a senior manager of a remittance affiliate of a registered remittance network provider approves the registered remittance network provider's:
 - (a) ML/TF risk assessment; and
 - (b) AML/CTF policies;the remittance affiliate is taken to have complied with the remittance affiliate's obligations under section 26C and 26F in respect of the remittance affiliate's designated services to which the registered remittance network provider's AML/CTF program applies.

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26T Application of Part to holders of Australian financial services licences

- (1) This section applies if all of the designated services provided by a reporting entity are covered by item 54 of table 1 in section 6.

Note: Item 54 of table 1 in section 6 covers a holder of an Australian financial services licence who arranges for a person to receive a designated service.

- (2) Paragraph 26F(1)(a) applies in relation to the reporting entity as if it instead required policies, procedures, systems and controls that:
- (a) relate to undertaking initial customer due diligence in accordance with section 28; and
 - (b) are appropriate to the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services.
- (3) The following provisions of this Part do not apply to the reporting entity:
- (a) paragraphs 26F(1)(b) and (3)(a) to (d) and subsection 26F(4);
 - (b) section 26H;
 - (c) subsection 26P(2);
 - (d) Division 5.

26U Business of a lead entity of a reporting group

In applying this Part in relation to a reporting entity that is the lead entity of a reporting group, a reference to the nature, size and complexity of the reporting entity's business is taken to be a reference to the nature, size and complexity of the business of the lead entity and each other reporting entity that is a member of the reporting group.

Note: For other rules about how this Part applies in relation to a lead entity of a reporting group, see section 236B.

26V General exemptions

- (1) This Part does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (2) The AML/CTF Rules may provide that a specified provision of this Part does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (3) This Part does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (4) The AML/CTF Rules may provide that a specified provision of this Part does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.

Part 2—Customer due diligence

Division 1—Introduction

27 Simplified outline

The following is a simplified outline of this Part:

- A reporting entity must undertake initial customer due diligence before providing a designated service to a customer. However, in special cases, initial customer due diligence may be carried out after the provision of the designated service.
- A reporting entity must undertake ongoing customer due diligence in relation to the provision by the reporting entity of designated services.
- Simplified customer due diligence may be undertaken in certain low risk circumstances as part of initial and ongoing customer due diligence.
- Enhanced customer due diligence must be undertaken in certain circumstances as part of initial and ongoing customer due diligence.
- Certain pre-commencement customers are subject to modified customer due diligence.
- Exemptions from initial customer due diligence, and ongoing customer due diligence, apply in certain circumstances.

Division 2—Initial customer due diligence

28 Undertaking initial customer due diligence

- (1) A reporting entity must not commence to provide a designated service to a customer if the reporting entity has not established on reasonable grounds each of the matters in subsection (2) in relation to the customer.

Note 1: See also section 31 (simplified customer due diligence).

Note 2: See also section 32 (enhanced customer due diligence).

Note 3: See section 36 for rules that apply to pre-commencement customers.

- (2) The matters are as follows:
- (a) the identity of the customer;
 - (b) the identity of any person on whose behalf the customer is receiving the designated service;
 - (c) the identity of any person acting on behalf of the customer and their authority to act;
 - (d) if the customer is not an individual—the identity of any beneficial owners of the customer;
 - (e) whether the customer, any beneficial owner of the customer, any person on whose behalf the customer is receiving the designated service, or any person acting on behalf of the customer is:
 - (i) a politically exposed person; or
 - (ii) a person designated for targeted financial sanctions;
 - (f) the nature and purpose of the business relationship or occasional transaction;
 - (g) any other matter relating to the customer that is specified in the AML/CTF Rules.
- (3) Without limiting subsection (1), a reporting entity must do the following for the purposes of establishing on reasonable grounds the matters in subsection (2):

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- (a) if the customer is an individual—take reasonable steps to establish that the customer is the person the customer claims to be;
 - (b) identify the ML/TF risk of the customer, based on KYC information about the customer that is reasonably available to the reporting entity before commencing to provide the designated service;
 - (c) collect KYC information about the customer that is appropriate to the ML/TF risk of the customer;
 - (d) verify, using reliable and independent data, such of the KYC information referred to in paragraph (c) as is appropriate to the ML/TF risk of the customer.
- (4) If a reporting entity provides its designated services at or through a permanent establishment of the reporting entity in Australia, a reporting entity must take into account the following matters when identifying the ML/TF risk of the customer for the purposes of paragraph (3)(b):
- (a) the reporting entity’s ML/TF risk assessment;
 - (b) the kind of customer to whom the designated services will be provided;
 - (c) the kinds of designated services provided, or proposed to be provided, by the reporting entity to the customer;
 - (d) the delivery channels by which the reporting entity’s designated services are or will be provided to the customer;
 - (e) the countries with which the reporting entity deals, or will deal, in providing its designated services to the customer;
 - (f) the matters (if any) specified in the AML/CTF Rules.
- (5) Subsection (4) does not limit the matters a reporting entity may take into account for the purposes of paragraph (3)(b).
- (6) The AML/CTF Rules may do either or both of the following:
- (a) specify requirements that must be complied with for the purposes of establishing on reasonable grounds the matters in subsection (2);

- (b) set out circumstances in which a reporting entity is taken to comply with a matter mentioned in that subsection.
- (7) Without limiting paragraph (2)(g) or (4)(f) or subsection (6), AML/CTF Rules made for the purposes of any of those provisions may make different provision in relation to different classes of customers, including:
- (a) customers in relation to whom simplified due diligence measures may be taken in accordance with section 31; and
 - (b) customers in relation to whom enhanced customer due diligence measures must be undertaken in accordance with section 32.
- Note: This subsection also does not limit subsection 13(3) of the *Legislation Act 2003* or subsection 33(3AB) of the *Acts Interpretation Act 1901*: see section 249.
- (8) Subsection (1) is a civil penalty provision.
- (9) A reporting entity that contravenes subsection (1) in relation to a customer commits a separate contravention of that subsection in respect of each designated service that the reporting entity provides to the customer at or through a permanent establishment of the reporting entity in Australia.
- (10) A reporting entity that contravenes subsection (1) in relation to a customer commits a separate contravention of that subsection on each day that the reporting entity provides designated services to the customer at or through a permanent establishment of the reporting entity in a foreign country.

29 Exemptions from initial customer due diligence

Despite subsection 28(1), a reporting entity may commence to provide a designated service to a customer before the reporting entity complies with that subsection if:

- (a) circumstances specified in the AML/CTF Rules apply; and
- (b) the reporting entity determines on reasonable grounds that commencing to provide the designated service to the customer before subsection 28(1) is complied with in relation

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- to the customer is essential to avoid interrupting the ordinary course of business; and
- (c) the reporting entity has AML/CTF policies to comply with subsection 28(1) in relation to the customer:
 - (i) as soon as reasonably practicable after commencing to provide the designated service to the customer; and
 - (ii) within the period (if any) specified in the AML/CTF Rules; and
 - (d) the reporting entity determines on reasonable grounds that any additional risk of money laundering, terrorism financing or proliferation financing associated with complying with subsection 28(1) in relation to the customer after commencing to provide the designated service to the customer is low; and
 - (e) the reporting entity implements AML/CTF policies to mitigate and manage the associated risks; and
 - (f) the reporting entity complies with the requirements (if any) specified in the AML/CTF Rules.

Division 3—Ongoing customer due diligence

30 Undertaking ongoing customer due diligence

- (1) A reporting entity must monitor its customers in relation to the provision of its designated services to appropriately identify, assess, manage and mitigate the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing designated services.

Note 1: See also section 31 (simplified customer due diligence).

Note 2: See also section 32 (enhanced customer due diligence).

Note 3: See section 36 for rules that apply to pre-commencement customers.

- (2) Without limiting subsection (1), if the reporting entity provides its designated services at or through a permanent establishment of the reporting entity in Australia, the reporting entity must:
- (a) monitor for unusual transactions and behaviours of customers that may give rise to a suspicious matter reporting obligation; and
 - (b) if the reporting entity has a business relationship with a customer—review and, where appropriate, update the reporting entity’s identification and assessment of the ML/TF risk of the customer in the following circumstances:
 - (i) if there is a significant change to any of the matters mentioned in subsection 28(4);
 - (ii) if there are unusual transactions and behaviours in relation to the customer that may give rise to a suspicious matter reporting obligation;
 - (iii) circumstances specified in the AML/CTF Rules; and
 - (c) if the reporting entity has a business relationship with a customer—review and, where appropriate, update and reverify KYC information relating to the customer at a frequency appropriate to the ML/TF risk of the customer, and if either of the following occur:

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Division 3 Ongoing customer due diligence

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- (i) the reporting entity has doubts about the adequacy or veracity of the KYC information relating to the customer;
- (ii) circumstances specified in the AML/CTF Rules; and
- (d) if the reporting entity has a business relationship with a customer that is a pre-commencement customer—monitor for significant changes in the nature and purpose of the business relationship that may result in the ML/TF risk of the customer being medium or high; and
- (e) comply with any other requirements specified in the AML/CTF Rules.

Note: For *suspicious matter reporting obligation*, see section 41.

- (3) The AML/CTF Rules may do either or both of the following:
 - (a) specify requirements that must be complied with in relation to the matters mentioned in subsection (2);
 - (b) set out circumstances in which a reporting entity is taken to comply with a matter mentioned in that subsection.
- (4) Without limiting subparagraph (2)(b)(iii) or (2)(c)(ii), paragraph (2)(e) or subsection (3), AML/CTF Rules made for the purposes of any of those provisions may make different provision in relation to different classes of customers, including:
 - (a) customers in relation to whom simplified due diligence measures may be taken in accordance with section 31; and
 - (b) customers in relation to whom enhanced customer due diligence measures must be undertaken in accordance with section 32.

Note: This subsection also does not limit subsection 13(3) of the *Legislation Act 2003* or subsection 33(3AB) of the *Acts Interpretation Act 1901*: see section 249.

- (5) For the purposes of this section, *unusual transactions and behaviours* of a customer include the following:
 - (a) unusually large or complex transactions relating to the customer;

- (b) transactions and behaviours that are part of an unusual pattern of transactions and behaviours relating to the customer;
 - (c) transactions and behaviours that have no apparent economic or lawful purpose;
 - (d) transactions and behaviours that are inconsistent with what the reporting entity reasonably knows about any of the following:
 - (i) the customer;
 - (ii) the nature and purpose of the business relationship;
 - (iii) the ML/TF risk of the customer;
 - (iv) where relevant, the customer's source of funds or source of wealth.
- (6) Subsection (1) is a civil penalty provision.
- (7) A reporting entity that contravenes subsection (1) in relation to a customer commits a separate contravention of that subsection in respect of each designated service that the reporting entity provides to the customer at or through a permanent establishment of the reporting entity in Australia.
- (8) A reporting entity that contravenes subsection (1) in relation to a customer commits a separate contravention of that subsection on each day that the reporting entity provides designated services to the customer at or through a permanent establishment of the reporting entity in a foreign country.

Registered remittance affiliates

- (9) If an obligation is imposed by subsection (1) on a reporting entity in its capacity as a registered remittance affiliate of a registered remittance network provider, the obligation may be discharged by the registered remittance network provider.

Exemption

- (10) This section does not apply to a designated service covered by item 54 of table 1 in section 6.

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Note: Item 54 of table 1 in section 6 covers a holder of an Australian financial services licence who arranges for a person to receive a designated service.

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Division 4—Simplified and enhanced customer due diligence

31 Simplified customer due diligence

In complying with the obligation imposed on a reporting entity under subsection 28(1) or 30(1) in relation to a customer, the reporting entity may apply simplified customer due diligence measures if:

- (a) the ML/TF risk of the customer is low; and
- (b) section 32 does not apply to the customer; and
- (c) the reporting entity complies with the requirements specified in the AML/CTF Rules.

32 Enhanced customer due diligence obligation

In complying with the obligation imposed on a reporting entity under subsection 28(1) or 30(1) in relation to a customer, the reporting entity must apply enhanced customer due diligence measures appropriate to the ML/TF risk of the customer if one or more of the following apply to the customer:

- (a) the ML/TF risk of the customer is high;
- (b) if:
 - (i) a suspicious matter reporting obligation arises for the reporting entity in relation to the customer; and
 - (ii) the reporting entity proposes to continue to provide a designated service or designated services to the customer;
- (c) the customer, any beneficial owner of the customer, any person on whose behalf the customer is receiving the designated service, or any person acting on behalf of the customer, is a foreign politically exposed person;
- (d) the customer, any beneficial owner of the customer, any person on whose behalf the customer is receiving the designated service, or any person acting on behalf of the customer, is:

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- (i) an individual who is physically present in a high risk jurisdiction for which the international body known as the Financial Action Task Force has called for enhanced due diligence to be applied; or
- (ii) a body corporate or legal arrangement that was formed in a high risk jurisdiction for which the international body known as the Financial Action Task Force has called for enhanced due diligence to be applied;
- (e) the designated service provided or proposed to be provided to the customer is provided or proposed to be provided as part of a nested services relationship;
- (f) the customer is of a kind specified in the AML/CTF Rules.

Note: For *suspicious matter reporting obligation*, see section 41.

**Division 5A—Use and disclosure of personal information
for the purposes of verifying an individual's
identity**

**35A Reporting entities may disclose certain personal information to
credit reporting bodies for identity verification purposes**

- (1) A reporting entity may, to assist in verifying the identity of an individual for the purposes of this Act, the regulations or the AML/CTF Rules:
- (a) disclose any or all of the following personal information to a credit reporting body for the purposes of making a request referred to in paragraph (b):
 - (i) the individual's name;
 - (ii) the individual's residential address;
 - (iii) the individual's date of birth; and
 - (b) request the credit reporting body to provide an assessment of whether the personal information so disclosed matches (in whole or part) personal information held by the credit reporting body.
- (2) A reporting entity must not make a verification request in relation to an individual unless, before making the request:
- (a) the individual was given information about:
 - (i) the reasons for making the request; and
 - (ii) the personal information about the individual that may be disclosed to the credit reporting body; and
 - (iii) the fact that the reporting entity may request the credit reporting body to provide an assessment of whether the personal information matches (in whole or part) personal information held by the credit reporting body; and
 - (iv) the fact that the credit reporting body may prepare and provide to the reporting entity such an assessment; and

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- (v) the fact that the credit reporting body may use the personal information about the individual, and personal information held by the body that is the names, residential addresses and dates of birth of other individuals, for the purpose of preparing such an assessment; and
 - (b) the individual expressly agreed to the making of the request and the disclosure of the personal information; and
 - (c) an alternative means of verifying the identity of the individual was made available to the individual.
- (3) A disclosure of personal information under paragraph (1)(a) is taken to be authorised by this Act for the purposes of paragraph 6.2(b) of Australian Privacy Principle 6.

35B Credit reporting bodies may use and disclose certain personal information for identity verification purposes

- (1) A credit reporting body that receives a verification request from a reporting entity in relation to an individual may:
- (a) prepare and provide to the reporting entity an assessment in accordance with this section of whether any or all of the following personal information matches (in whole or part) personal information held by the credit reporting body:
 - (i) the individual's name;
 - (ii) the individual's residential address;
 - (iii) the individual's date of birth; and
 - (b) use the personal information about the individual, and personal information held by the credit reporting body that is the names, residential addresses and dates of birth of other individuals, for the purpose of preparing the assessment.
- (2) An assessment provided under subsection (1) to a reporting entity:
- (a) must be an overall assessment of the extent of the match between the personal information disclosed by the reporting entity and personal information held by the credit reporting body; and

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- (b) must not include separate assessments of the match between particular categories of that personal information.
- (3) To the extent that providing an assessment in relation to an individual involves a disclosure of personal information held by the credit reporting body to a person, body or agency other than the individual, the disclosure is taken to be authorised by this Act for the purposes of paragraph 20E(3)(e) of the *Privacy Act 1988*.

35C Reporting entities to notify inability to verify identity

- (1) This section applies if:
 - (a) a reporting entity makes a verification request in relation to an individual; and
 - (b) an assessment is provided in relation to the individual; and
 - (c) the reporting entity is unable to verify the identity of the individual, having regard to the assessment.
- (2) The reporting entity must give a written notice to the individual:
 - (a) stating that the reporting entity is unable to verify the identity of the individual having regard to the assessment; and
 - (b) specifying the name of the credit reporting body that provided the assessment; and
 - (c) offering the individual an alternative means of verifying the identity of the individual.

35D Verification information not to be collected or held by a credit reporting body

Subject to section 35E, a credit reporting body must not collect or hold personal information about an individual that relates to a verification request or an assessment in relation to the individual.

35E Retention of verification information—credit reporting bodies

- (1) A credit reporting body that receives a verification request in relation to an individual must retain the following information for 7 years after the request was received:

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- (a) the name of the reporting entity that made the request;
 - (b) the date on which the request was made;
 - (c) the personal information about the individual that was provided by the reporting entity to the credit reporting body;
 - (d) the date on which the credit reporting body provided an assessment (if any) in relation to the individual;
 - (e) such other information about the verification request as is specified in the AML/CTF Rules.
- (2) A credit reporting body that retains information under subsection (1) must delete the information at the end of the 7 year period referred to in that subsection.

Civil penalty

- (3) Subsections (1) and (2) are civil penalty provisions.

35F Retention of verification information—reporting entities

- (1) A reporting entity that makes a verification request in relation to an individual must make a record of the following:
- (a) the name of the credit reporting body to which the request was made;
 - (b) the personal information about the individual that was provided by the reporting entity to the credit reporting body;
 - (c) the assessment (if any) provided by the credit reporting body in relation to the individual;
 - (d) such other information about the verification request as is specified in the AML/CTF Rules.
- (2) The reporting entity must retain the record, or a copy of the record, until the end of the first 7 year period:
- (a) that began at a time after the verification request was made; and
 - (b) throughout the whole of which the reporting entity did not provide any designated services to the individual.

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- (3) A reporting entity that retains a record, or a copy of a record, under subsection (2) must delete the record at the end of the 7 year period referred to in that subsection.

Civil penalty

- (4) Subsections (1), (2) and (3) are civil penalty provisions.

35G Access to verification information

A credit reporting body or a reporting entity in possession or control of personal information, or other information of a kind referred to in subsection 35E(1), that relates to a verification request or an assessment in relation to an individual must take reasonable steps to ensure that the individual can obtain access to the information.

35H Unauthorised access to verification information—offence

- (1) A person commits an offence if:
- (a) the person obtains access to information; and
 - (b) the information is personal information that relates to a verification request or an assessment in relation to an individual.

Penalty: 300 penalty units.

- (2) Subsection (1) does not apply if the access is obtained in accordance with, or as otherwise authorised by, this Act or any other law.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

35J Obtaining access to verification information by false pretences—offence

A person commits an offence if:

- (a) the person obtains access to information; and

Part 2 Customer due diligence

Division 5A Use and disclosure of personal information for the purposes of verifying an individual's identity

Section 35K

- (b) the information is personal information that relates to a verification request or an assessment in relation to an individual; and
- (c) the information is obtained by false pretence.

Penalty: 300 penalty units.

35K Unauthorised use or disclosure of verification information—offence

- (1) A person commits an offence if:
 - (a) the person uses or discloses information; and
 - (b) the information is personal information that relates to a verification request or an assessment in relation to an individual.

Penalty: 300 penalty units.

- (2) Subsection (1) does not apply if the use or disclosure is in accordance with, or as otherwise authorised by, this Act or any other law.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

35L Breach of requirement is an interference with privacy

A breach of a requirement of this Division in relation to an individual constitutes an act or practice involving an interference with the privacy of the individual for the purposes of section 13 of the *Privacy Act 1988*.

Note: The act or practice may be the subject of a complaint under section 36 of that Act.

Division 6—Pre-commencement customers

36 Pre-commencement customers

- (1) A customer of a reporting entity is a *pre-commencement customer* if:
- (a) the reporting entity commenced before 12 December 2007 to provide a designated service covered by an item of table 1, 2 or 3 in section 6 of this Act to the customer; or
 - (b) the business relationship between the reporting entity and the customer involved the provision of only any of the following designated services in section 6 of this Act as at the start of 1 July 2026:
 - (i) designated services covered by item 2 of table 2 in section 6;
 - (ii) designated services covered by table 5 in section 6;
 - (iii) designated services covered by table 6 in section 6.
- (2) A pre-commencement customer of a reporting entity ceases to be a pre-commencement customer when the reporting entity complies with subsection 28(1) in relation to the customer.
- (3) Subsection 28(1) and paragraph 30(2)(b) do not apply in relation to a customer that is a pre-commencement customer.
- (4) However, subsection 28(1) applies in relation to a customer that is a pre-commencement customer if:
- (a) a suspicious matter reporting obligation arises for the reporting entity in relation to the customer; or
 - (b) there is a significant change in the nature and purpose of the business relationship with the customer which results in the ML/TF risk of the customer being medium or high.

Note: For *suspicious matter reporting obligation*, see section 41.

Division 7—General provisions

37 Collection and verification of KYC information may be carried out by an agent of a reporting entity

- (1) The principles of agency apply in relation to a reporting entity complying with paragraphs 28(3)(c) and (d).

Note: The reporting entity (and not its agent) will be liable to civil penalties for contraventions of this Part for providing designated services to its customers without complying with paragraphs 28(3)(c) and (d) in respect of its customers.

- (2) For example, a reporting entity may authorise another person to be its agent for the purposes of complying with paragraphs 28(3)(c) and (d) on the reporting entity's behalf.
- (3) To avoid doubt, if a reporting entity provides a designated service to a customer through an agent of the reporting entity, the reporting entity may authorise:
 - (a) that agent; or
 - (b) any other person;to be its agent for the purposes of complying with paragraphs 28(3)(c) and (d) in respect of the customer on the reporting entity's behalf.
- (4) This section does not otherwise limit the operation of the principles of agency for the purposes of this Act.

37A Reliance on collection and verification of KYC information or other procedures—agreements or arrangements

- (1) This section applies if:
 - (a) a reporting entity (the *first entity*) enters into a written agreement or arrangement with another person relating to the first entity's reliance on the collection and verification of KYC information relating to a customer in accordance with paragraphs 28(3)(c) and (d), or other procedures of a kind

Section 37A

prescribed by the AML/CTF Rules, carried out by the other person; and

- (b) at the time of entering into the agreement or arrangement, the first entity had reasonable grounds to believe that each of the requirements prescribed by the AML/CTF Rules were met.

(2) If:

- (a) the agreement or arrangement is in force; and
- (b) the first entity has complied with section 37B in relation to the agreement or arrangement; and
- (c) the first entity is providing, or proposes to provide, a designated service to a customer; and
- (d) under the agreement or arrangement, the first entity has obtained information about the identity of that customer from the other party to the agreement or arrangement; and
- (e) the requirements prescribed by the AML/CTF Rules are satisfied;

this Act (other than Part 10) has effect as if the first entity had complied with paragraphs 28(3)(c) and (d) in respect of that customer and that designated service.

(3) If:

- (a) the agreement or arrangement is in force; and
- (b) after completing an assessment under section 37B in relation to the agreement or arrangement, the first entity does not have reasonable grounds to believe that each of the requirements prescribed by the AML/CTF Rules for the purposes of paragraph (1)(b) is being met;

then subsection (2) does not apply in relation to the first entity and the agreement or arrangement in connection with the carrying out of procedures covered by paragraph (1)(a) after the completion of that assessment.

- (4) Subsection (3) ceases to apply once the first entity has reasonable grounds to believe that each of the requirements prescribed by the AML/CTF Rules for the purposes of paragraph (1)(b) is being met.

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37B Regular assessments of agreement or arrangement covered by section 37A

- (1) If a reporting entity enters into an agreement or arrangement of a kind referred to in subsection 37A(1), then, while the agreement or arrangement is in force, the reporting entity must:
 - (a) carry out assessments in accordance with the AML/CTF Rules; and
 - (b) carry out those assessments at the times worked out in accordance with the AML/CTF Rules; and
 - (c) prepare a written record of each assessment within 10 business days after the day of completing the assessment.

Civil penalty

- (2) Subsection (1) is a civil penalty provision.

38 Reliance on collection and verification of KYC information or other procedures—other circumstances

If:

- (a) a reporting entity (the *first entity*) is providing, or proposes to provide, a designated service to a customer; and
- (b) another person has complied with paragraph 28(3)(c) or (d), or another procedure of a kind prescribed by the AML/CTF Rules, in respect of that customer; and
- (c) the first entity has obtained, from the other person, information about the identity of that customer that was obtained by the other person in the course of carrying out that procedure; and
- (d) the first entity has reasonable grounds to believe that it is appropriate to rely on that procedure in relation to that designated service having regard to the risk the first entity may reasonably face that the provision of that designated service might (whether inadvertently or otherwise) involve or facilitate money laundering, financing of terrorism or proliferation financing; and

(e) the requirements prescribed by the AML/CTF Rules are satisfied;

this Act (other than Part 10) has effect as if the first entity had complied with paragraph 28(3)(c) or (d) in respect of that customer and that designated service.

39 General exemptions

- (1) This Part does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (2) The AML/CTF Rules may provide that a specified provision of this Part does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (3) This Part does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (4) The AML/CTF Rules may provide that a specified provision of this Part does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (6) This Part (other than Divisions 3 and 4) does not apply to a designated service covered by item 40, 42 or 44 of table 1 in section 6.
- (7) This Part does not apply to a designated service covered by item 54 of table 1 in section 6 if the service relates to arrangements for a person to receive a designated service covered by item 40, 42 or 44 of that table.

Note 1: Item 40 of table 1 in section 6 deals with accepting payment of the purchase price for a new pension or annuity.

Note 2: Item 42 of table 1 in section 6 deals with accepting a superannuation contribution, roll-over or transfer.

Note 3: Item 44 of table 1 in section 6 deals with accepting an RSA contribution, roll-over or transfer.

Note 4: Item 54 of table 1 in section 6 covers a holder of an Australian financial services licence who arranges for a person to receive a designated service.

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39A Exemption—assisting the investigation of certain offences

- (1) This section applies if:
 - (a) a reporting entity receives a keep open notice in relation to a customer; and
 - (b) the keep open notice is in force.
- (2) Despite any other provision of this Part or Part 1A, section 28, 30 or 26G does not apply to the reporting entity in respect of the provision of a designated service to the customer to the extent that the reporting entity reasonably believes that compliance with that section would or could reasonably be expected to alert the customer to the existence of a criminal investigation.

Note 1: A suspicious matter reporting obligation does not arise for a reporting entity in relation to a customer upon the receipt of a keep open notice. However, a suspicious matter reporting obligation may otherwise arise for the reporting entity in relation to the customer in accordance with section 41.

Note 2: A keep open notice does not compel a reporting entity to continue to provide a designated service to a customer.

- (3) For the purposes of subsection (2), it is immaterial whether the reporting entity knows of the existence or otherwise of a criminal investigation.
- (4) If subsection (2) applies in relation to the provision by a reporting entity of a designated service to a customer, section 139 (providing a designated service using a false customer name or customer anonymity) does not apply in relation to the provision by the reporting entity of that designated service to the customer.

Note: A defendant bears an evidential burden in relation to the matter in subsection (4) (see subsection 13.3(3) of the *Criminal Code*).

39B Keep open notices

- (1) A senior member of an agency mentioned in subsection (4) may issue a notice (a ***keep open notice***) to a reporting entity if the senior member reasonably believes that the provision of a

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designated service by the reporting entity to a customer would assist in the investigation by the agency of a serious offence.

- (2) A *serious offence* is:
- (a) an offence against a law of the Commonwealth, or a law of a State or Territory, that is punishable by imprisonment for 2 years or more; or
 - (b) an offence against a law of a foreign country that involves an act or omission that, if it had occurred in Australia, would have constituted an offence covered by paragraph (a).
- (3) A *senior member* of an agency is:
- (a) the head of an agency mentioned in subsection (4); or
 - (b) a statutory office holder of an agency mentioned in subsection (4); or
 - (c) an officer or employee of an agency mentioned in subsection (4) that:
 - (i) is an SES employee or acting SES employee in the agency; or
 - (ii) holds or is acting in a position in the agency that is equivalent to or higher than a position occupied by an SES employee; or
 - (iii) holds or is acting in a position that is prescribed by the AML/CTF Rules for the purposes of this paragraph.
- (4) The agencies are as follows:
- (a) the Australian Border Force;
 - (b) the Australian Crime Commission;
 - (c) the Australian Federal Police;
 - (d) the National Anti-Corruption Commission;
 - (e) the New South Wales Crime Commission;
 - (f) the police force or police service of a State or the Northern Territory;
 - (g) a Commonwealth, State or Territory agency prescribed by the AML/CTF Rules.
- (5) A keep open notice must:
-

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- (a) be in the form prescribed by the AML/CTF Rules for the purposes of this paragraph; and
 - (b) contain such information, and be accompanied by such documents, as is required by the AML/CTF Rules.
- (6) Subject to subsections (7) and (8), a keep open notice is in force for the period:
- (a) starting on the day specified in the notice; and
 - (b) ending on the earlier of:
 - (i) the day that is 6 months after the day specified in the notice; and
 - (ii) if the investigation to which the notice relates has ended—the day the agency that issued the notice notifies the reporting entity and the AUSTRAC CEO that the relevant investigation has ended.
- (7) A senior member of an agency that issued a keep open notice to a reporting entity may, by notice (an *extension notice*) to the reporting entity in the form prescribed by the AML/CTF Rules for the purposes of this subsection, extend the period for which the keep open notice remains in force for a further period of 6 months if:
- (a) the extension notice is issued to the reporting entity before the expiry of the keep open notice; and
 - (b) subject to subsection (8), the keep open notice has not previously been extended more than once under this subsection; and
 - (c) the senior member of the agency reasonably believes that the continued provision of a designated service by the reporting entity to the customer would assist in the investigation by the agency of a serious offence.
- (8) Paragraph (7)(b) does not apply in relation to an extension notice if:
- (a) the keep open notice has previously been extended at least twice under subsection (7); and

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- (b) a senior member of the agency that issued the keep open notice applies to the AUSTRAC CEO in the form prescribed by the AML/CTF Rules for the purposes of this paragraph; and
 - (c) the AUSTRAC CEO is satisfied that the continued provision of a designated service by the reporting entity to the customer would assist in the investigation by the agency of a serious offence; and
 - (d) the AUSTRAC CEO gives notice, in writing, to the agency that paragraph (7)(b) does not apply in relation to the extension notice.
- (9) The AUSTRAC CEO may give a notice under paragraph (8)(d) more than once in relation to a particular keep open notice.

39C Keep open notices—AUSTRAC oversight

- (1) This section applies if a senior member of an agency mentioned in subsection 39B(4) issues to a reporting entity:
 - (a) a keep open notice under subsection 39B(1); or
 - (b) an extension notice under subsection 39B(7).
- (2) The senior member of the agency must send a copy of the keep open notice or extension notice to the AUSTRAC CEO at the same time the notice is issued to the reporting entity.
- (3) The AUSTRAC CEO may revoke:
 - (a) a keep open notice issued under subsection 39B(1); or
 - (b) an extension notice under subsection 39B(7);if the AUSTRAC CEO is satisfied that the notice does not comply with the requirements of this Act or the AML/CTF Rules.
- (4) If the AUSTRAC CEO revokes a notice under subsection (3), the AUSTRAC CEO must notify:
 - (a) the agency that issued the notice; and
 - (b) the reporting entity to whom the notice was issued.

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39D Exemption—when a suspicious matter reporting obligation arises

- (1) This section applies if a suspicious matter reporting obligation arises for a reporting entity in relation to a customer.

Note: For *suspicious matter reporting obligation*, see section 41.

- (2) Despite any other provision of this Part or Part 1A, section 28, 30, or 26G does not apply to the reporting entity in respect of the provision of a designated service to the customer to the extent that the reporting entity reasonably believes that compliance with that section would or could reasonably be expected to alert the customer to the reporting entity's suspicion.

39E Exemptions—specified conditions

Section 28 (undertaking initial customer due diligence) does not apply to a reporting entity in respect of the provision of a designated service to a customer if:

- (a) the designated service is specified in column 1 of an item of the following table; and
- (b) the conditions (if any) specified in column 2 of the item are satisfied; and
- (c) the reporting entity does not have an enhanced due diligence obligation in relation to the customer under section 32.

Exemptions—specified conditions

	Column 1	Column 2
Item	Designated service	Conditions
1	item 2 or 3 of table 1 in section 6	(a) the reporting entity providing the designated service is a financial institution; and (b) the designated service: (i) relates to a correspondent banking relationship; and

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Exemptions—specified conditions		
Item	Column 1 Designated service	Column 2 Conditions
		(ii) occurs in circumstances where there is a geographical link in accordance with section 100; and (iii) relates to signatories to the account who are employees of the other financial institution
2	paragraph (a) of item 17 of table 1 in section 6	(a) the reporting entity issues a cheque that the reporting entity draws on itself; and (b) the cheque is drawn from an account held at the issuing ADI, building society, credit union or representative office of a foreign bank; and (c) the cheque contains details of the payee; and (d) the face value of the cheque is less than \$5,000
3	paragraph (a) of item 17 of table 1 in section 6	(a) the reporting entity issues a cheque that the reporting entity draws on itself; and (b) the cheque is funded by physical currency; and (c) the face value of the cheque is less than \$1,000
4	item 25 or 26 of table 1 in section 6	the sum of the face value of the traveller's cheque or traveller's cheques issued, cashed or redeemed in any one transaction is less than \$1,000
5	item 25 or 26 of table 1 in section 6	(a) the issuing, cashing or redeeming of the traveller's cheque or traveller's cheques is one of 2 or more transactions that the reporting entity reasonably believes to be linked; and (b) the sum of the face value of the traveller's cheque or traveller's cheques issued,

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Exemptions—specified conditions		
Item	Column 1 Designated service	Column 2 Conditions
		cashed or redeemed as part of the linked transactions is less than \$1,000
6	item 33 of table 1 in section 6	(a) the designated service is a disposal; and (b) the disposal occurs on a prescribed financial market (within the meaning of the <i>Corporations Act 2001</i>); and (c) the agent gives the proceeds of the disposal directly to an ancillary fund (within the meaning of the <i>Income Tax Assessment Act 1997</i>) that provides an undertaking to: (i) distribute, by cheque or electronic funds transfer, the proceeds of the disposal of the security to a deductible gift recipient; and (ii) list on its public website within 14 business days, for a period of 12 months, the details of the distribution of the proceeds of the disposal of the security to the deductible gift recipient; and (d) the value of the security does not exceed \$10,000
7	paragraph (a) of item 43 of table 1 in section 6	(a) no additional contributions from the customer are accepted in relation to the interest; and (b) the whole of the interest of the customer in the superannuation fund is cashed out; and (c) the account in which the interest of the customer in the superannuation fund was held is closed as soon as practicable after the cashing out of that interest; and (d) the application for the interest in the superannuation fund to be cashed out was not made online using the Departing Australia Superannuation Payment

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Exemptions—specified conditions		
Item	Column 1 Designated service	Column 2 Conditions
		internet-based application system administered by the Australian Taxation Office; and (e) on the date the customer applies for the interest in the superannuation fund to be cashed out, the value of the interest does not exceed \$1,000
8	item 43 or 45 of table 1 in section 6	(a) the application of the member relates to the cashing out of the interest held by the customer in: (i) a superannuation fund; or (ii) an approved deposit fund; or (iii) a RSA; and (b) the application was made online using the Departing Australia Superannuation Payment internet-based application system administered by the Australian Taxation Office; and (c) the whole of the interest of the member is cashed out; and (d) no additional contributions from the customer are accepted in relation to the customer's interest; and (e) the account in which the interest of the customer was held is closed as soon as practicable after the cashing out of that interest; and (f) the value of the interest in the customer's superannuation fund, approved deposit fund or RSA does not exceed \$5,000 on the date of the application
9	item 50 of table 1 or item 14 of table 3 in section 6	(a) currency is moved into or out of an account; and

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Section 39E

Exemptions—specified conditions		
Item	Column 1 Designated service	Column 2 Conditions
		(b) the provider of the account is an ADI, a building society, a bank, a credit union or a representative office of a foreign bank; and (c) the value of the currency is less than \$1,000
10	item 50 of table 1 or item 14 of table 3 in section 6	(a) currency is not moved into or out of an account where the account provider is an ADI, a building society, a bank, a credit union or a representative office of a foreign bank; and (b) either or both of the following apply: (i) the proceeds are in the form of physical currency; (ii) the funding source is in the form of physical currency; and (c) the value of the currency is less than \$1,000
11	item 1 of table 2 in section 6	the retail value of the bullion is less than \$5,000
12	item 1, 2, 4, 6, 7, 8 or 9 of table 3 in section 6	(a) the reporting entity is a casino; and (b) the designated service does not involve online gambling services; and (c) the designated service involves an amount of less than \$5,000
13	item 1, 2, 4, 6, 7, 8 or 9 of table 3 in section 6	(a) the reporting entity is a casino; and (b) the designated service does not involve online gambling services; and (c) the designated service involves the customer giving or receiving only gaming chips or tokens; and (d) the designated service involves an amount of \$5,000 or more

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Exemptions—specified conditions		
Item	Column 1 Designated service	Column 2 Conditions
14	item 1 or 2 of table 3 in section 6	the reporting entity providing the designated service is an on-course bookmaker or a totalisator agency board
15	item 4, 7 or 8 of table 3 in section 6	(a) the reporting entity is an on-course bookmaker or totalisator agency board; and (b) the designated service involves an amount of less than \$5,000
16	item 5 or 6 of table 3 in section 6	(a) the designated service is provided by the reporting entity by way of a gaming machine; and (b) the designated service is not provided at a casino
17	item 8, 9 or 10 of table 3 in section 6	(a) the designated service is provided by the reporting entity by way of a gaming machine; and (b) the designated service is not provided at a casino; and (c) the designated service involves an amount of less than \$5,000

39F Exemption—intermediary institutions

- (1) Divisions 1 to 6 do not apply to a designated service covered by item 31 of table 1 in section 6.

Note: Item 31 of table 1 in section 6 deals with an intermediary institution passing on a transfer message in a value transfer chain.

- (2) A reporting entity must monitor its customers, in relation to the provision of a designated service covered by item 31 of table 1 in section 6 at or through a permanent establishment of the reporting entity in Australia, to identify unusual transactions and behaviours of the customers (within the meaning of section 30) that may give rise to a suspicious matter reporting obligation.

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Note: For *suspicious matter reporting obligation*, see section 41.

- (3) Subsection (2) is a civil penalty provision.
- (4) A reporting entity that contravenes subsection (2) commits a separate contravention of that subsection in respect of each designated service that the reporting entity provides to a customer.

FUTURE LAW COMPILATION

Part 3—Reporting obligations

Division 1—Introduction

40 Simplified outline

The following is a simplified outline of this Part:

- A reporting entity must give the AUSTRAC CEO reports about suspicious matters.
- If a reporting entity provides a designated service that involves a threshold transaction, the reporting entity must give the AUSTRAC CEO a report about the transaction.
- If a person provides an international value transfer service, the person must give the AUSTRAC CEO a report about the provision of the service.
- If a person provides a designated service involving a transfer of virtual assets to or from an unverified self-hosted virtual asset wallet, the person must give the AUSTRAC CEO a report about the provision of the service.
- A reporting entity may be required to give AML/CTF compliance reports to the AUSTRAC CEO.

Division 2—Suspicious matters

41 Reports of suspicious matters

Suspicious matter reporting obligation

- (1) A suspicious matter reporting obligation arises for a reporting entity in relation to a person (the **first person**) if, at a particular time (the **relevant time**):
- (a) the reporting entity commences to provide, or proposes to provide, a designated service to the first person; or
 - (b) both:
 - (i) the first person requests the reporting entity to provide a designated service to the first person; and
 - (ii) the designated service is of a kind ordinarily provided by the reporting entity; or
 - (c) both:
 - (i) the first person inquires of the reporting entity whether the reporting entity would be willing or prepared to provide a designated service to the first person; and
 - (ii) the designated service is of a kind ordinarily provided by the reporting entity;
- and any of the following conditions is satisfied:
- (d) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that the first person is not the person the first person claims to be;
 - (e) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that an agent of the first person who deals with the reporting entity in relation to the provision or prospective provision of the designated service is not the person the agent claims to be;
 - (f) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that information that the reporting entity has concerning the provision, or prospective provision, of the service:

- (i) may be relevant to investigation of, or prosecution of a person for, an evasion, or an attempted evasion, of a taxation law; or
- (ii) may be relevant to investigation of, or prosecution of a person for, an evasion, or an attempted evasion, of a law of a State or Territory that deals with taxation; or
- (iii) may be relevant to investigation of, or prosecution of a person for, an offence against a law of the Commonwealth or of a State or Territory; or
- (iv) may be of assistance in the enforcement of the *Proceeds of Crime Act 2002* or regulations under that Act; or
- (v) may be of assistance in the enforcement of a law of a State or Territory that corresponds to the *Proceeds of Crime Act 2002* or regulations under that Act;
- (g) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that the provision, or prospective provision, of the service is preparatory to the commission of an offence covered by paragraph (a), (b) or (c) of the definition of **financing of terrorism** in section 5;
- (h) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that information that the reporting entity has concerning the provision, or prospective provision, of the service may be relevant to the investigation of, or prosecution of a person for, an offence covered by paragraph (a), (b) or (c) of the definition of **financing of terrorism** in section 5;
- (i) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that the provision, or prospective provision, of the service is preparatory to the commission of an offence covered by paragraph (a) or (b) of the definition of **money laundering** in section 5;
- (j) at the relevant time or a later time, the reporting entity suspects on reasonable grounds that information that the reporting entity has concerning the provision, or prospective provision, of the service may be relevant to the investigation of, or prosecution of a person for, an offence covered by

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paragraph (a) or (b) of the definition of *money laundering* in section 5.

Report

- (2) If a suspicious matter reporting obligation arises for a reporting entity in relation to a person, the reporting entity must give the AUSTRAC CEO a report about the matter within:
- (a) if paragraph (1)(d), (e), (f), (i) or (j) applies and paragraph (aa) of this subsection does not apply—3 business days after the day on which the reporting entity forms the relevant suspicion; or
 - (aa) if:
 - (i) paragraph (1)(d), (e), (f), (i) or (j) applies; and
 - (ii) the reporting entity reasonably believes that some (but not all) of the information required to be contained in the report may be privileged from being given on the ground of legal professional privilege; and
 - (iii) the privilege, if it exists, belongs to a person other than the reporting entity;5 business days after the day on which the reporting entity forms the relevant suspicion; or
 - (b) if paragraph (1)(g) or (h) applies—24 hours after the time when the reporting entity forms the relevant suspicion.
- (2A) Despite subsection (2), the reporting entity may refuse to give the AUSTRAC CEO a report about the matter if the reporting entity reasonably believes that all of the information comprising the grounds on which the reporting entity holds the relevant suspicion is privileged from being given on the ground of legal professional privilege.
- Note: For other provisions dealing with legal professional privilege, see sections 242 and 242A.
- (3) A report under subsection (2) must:
- (a) be in the approved form; and

- (aa) if the reporting entity reasonably believes that some (but not all) of the information required to be contained in the report about the matter is privileged from being given on the ground of legal professional privilege—be accompanied by an LPP form in relation to the information; and
- (b) contain such information relating to the matter as is specified in the AML/CTF Rules; and
- (c) contain a statement of the grounds on which the reporting entity holds the relevant suspicion.

Note 1: For additional rules about reports, see section 244.

Note 2: Section 49 deals with the provision of further information, and the production of documents, by the reporting entity.

Note 3: For other provisions dealing with legal professional privilege, see sections 242 and 242A.

Civil penalty

- (4) Subsection (2) is a civil penalty provision.

Reasonable grounds for suspicion

- (5) The AML/CTF Rules may specify matters that are to be taken into account in determining whether there are reasonable grounds for a reporting entity to form a suspicion of a kind mentioned in paragraph (1)(d), (e), (f), (g), (h), (i) or (j).

Note: For specification by class, see subsection 13(3) of the *Legislation Act 2003*.

42 Exemptions

- (1) This Division does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (2) The AML/CTF Rules may provide that a specified provision of this Division does not apply to a designated service that is of a kind specified in the AML/CTF Rules.

Part 3 Reporting obligations

Division 2 Suspicious matters

Section 42

- (3) This Division does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (4) The AML/CTF Rules may provide that a specified provision of this Division does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (5) This Division does not apply to a designated service that is provided by a reporting entity at or through a permanent establishment of the entity in a foreign country, other than a service covered by item 32A of table 1 in section 6.

FUTURE LAW COMPILATION

Division 3—Threshold transactions

43 Reports of threshold transactions

Scope

- (1) This section applies to a reporting entity if:
 - (a) the reporting entity commences to provide, or provides, a designated service to a customer; and
 - (b) the provision of the service involves a threshold transaction.

Report

- (2) The reporting entity must, within 10 business days after the day on which the transaction takes place, give the AUSTRAC CEO a report of the transaction.
- (3) A report under subsection (2) must:
 - (a) be in the approved form; and
 - (aa) if the reporting entity reasonably believes that information required to be contained in the report about the transaction is privileged from being given on the ground of legal professional privilege—be accompanied by an LPP form in relation to the information; and
 - (b) contain such information relating to the transaction as is specified in the AML/CTF Rules.

Note 1: For additional rules about reports, see section 244.

Note 2: Section 49 deals with the provision of further information, and the production of documents, by the reporting entity.

Note 3: For other provisions dealing with legal professional privilege, see sections 242 and 242A.

Civil penalty

- (4) Subsection (2) is a civil penalty provision.

Section 44

44 Exemptions

- (1) This Division does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (2) The AML/CTF Rules may provide that a specified provision of this Division does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (3) This Division does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (4) The AML/CTF Rules may provide that a specified provision of this Division does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (5) This Division does not apply to a designated service that is provided by a reporting entity at or through a permanent establishment of the entity in a foreign country, other than a service covered by item 32A of table 1 in section 6.
- (6) This Division does not apply to a designated service covered by item 54 of table 1 in section 6.

Note: Item 54 of table 1 in section 6 covers a holder of an Australian financial services licence who arranges for a person to receive a designated service.
- (7) Section 43 does not apply to a designated service that is:
 - (a) provided by a reporting entity that is an ADI; and
 - (b) provided to a customer that is an ADI.
- (8) Section 43 does not apply to a designated service that is:
 - (a) provided by a reporting entity that is the holder of an exchange settlement account; and
 - (b) provided to a customer that is the holder of an exchange settlement account; and
 - (c) provided using the exchange settlement accounts held by the reporting entity and the customer.

Division 4—International value transfer services and transfers of value involving unverified self-hosted virtual asset wallets

45 International value transfer services

- (1) A service is an *international value transfer service* if:
 - (a) the service is covered by item 29 or 30 of table 1 in section 6;
and
 - (b) either:
 - (i) the value to be transferred is in Australia and, as a result of the provision of the service, the value will be in a foreign country; or
 - (ii) the value to be transferred is in a foreign country and, as a result of the provision of the service, the value will be in Australia.
- (2) For the purposes of subsection (1), the AML/CTF Rules may specify the circumstances in which the value is *in* a country.

46 Reports of international value transfer services

Scope

- (1) This section applies to a reporting entity if:
 - (a) the reporting entity commences to provide an international value transfer service at or through a permanent establishment of the reporting entity in Australia; and
 - (b) such other conditions (if any) as are set out in the AML/CTF Rules are satisfied.

Report

- (2) The reporting entity must give the AUSTRAC CEO a report about the provision of the international value transfer service within 10 business days after the reporting entity passes on or receives the transfer message for the transfer of value.

Part 3 Reporting obligations

Division 4 International value transfer services and transfers of value involving unverified self-hosted virtual asset wallets

Section 46

- (3) Subsection (2) does not apply if, within the 10 business day period mentioned in that subsection, the reporting entity:
- (a) reasonably determines that the transfer of value will not occur; and
 - (b) takes reasonable steps to ensure that the transfer of value will not occur.
- (4) A report under subsection (2) must:
- (a) be in accordance with the approved form, or in a manner specified in the AML/CTF Rules; and
 - (b) contain the information required by the AML/CTF Rules.

Note: For additional rules about reports, see section 244.

Obligation must be discharged by intermediary institution in certain circumstances

- (5) The AML/CTF Rules may specify circumstances in which the obligation imposed on a reporting entity by subsection (2) must be discharged by an intermediary institution in the value transfer chain. If the AML/CTF Rules specify such circumstances, the obligation imposed by subsection (2) must be discharged by the intermediary institution in accordance with the AML/CTF Rules.

Obligation may be discharged by intermediary institution in certain circumstances

- (6) The obligation imposed on a reporting entity by subsection (2) may be discharged by an intermediary institution in the value transfer chain if:
- (a) the intermediary institution is an intermediary institution that provides, or will provide, the designated service covered by item 31 of table 1 in section 6; and
 - (b) the reporting entity has entered into a written agreement or arrangement with the intermediary institution; and
 - (c) the written agreement or arrangement enables the intermediary institution to comply with the obligation.

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Civil penalty

- (7) Subsections (2) and (5) are civil penalty provisions.

Exemptions

- (8) This section does not apply to an international value transfer service of a kind specified in the AML/CTF Rules.
- (9) This section does not apply to a transfer of value that occurs in circumstances specified in the AML/CTF Rules.

46A Reports of transfers of value involving unverified self-hosted virtual asset wallets

Scope

- (1) This section applies to a reporting entity if:
- (a) the reporting entity commences to provide a designated service covered by item 29 or 30 of table 1 in section 6 at or through a permanent establishment of the reporting entity in Australia; and
 - (b) the service involves:
 - (i) receiving virtual assets transferred from a self-hosted virtual asset wallet; or
 - (ii) transferring virtual assets to a self-hosted virtual asset wallet; and
 - (c) the person who controls the self-hosted virtual asset wallet has not been verified by the reporting entity in accordance with the reporting entity's AML/CTF program.

Report

- (2) The reporting entity must give the AUSTRAC CEO a report about the provision of the designated service within 10 business days after commencing to provide the service.
- (3) A report under subsection (2) must:

Part 3 Reporting obligations

Division 4 International value transfer services and transfers of value involving unverified self-hosted virtual asset wallets

Section 46A

- (a) be in accordance with the approved form, or in a manner specified in the AML/CTF Rules; and
- (b) contain the information required by the AML/CTF Rules.

Note: For additional rules about reports, see section 244.

Civil penalty

- (4) Subsection (2) is a civil penalty provision.

Exemptions

- (5) This section does not apply to transfer of value of a kind specified in the AML/CTF Rules.
- (6) This section does not apply to a transfer of value that occurs in circumstances specified in the AML/CTF Rules.

Division 5—AML/CTF compliance reports

47 AML/CTF compliance reports

Scope

- (1) This section applies if the AML/CTF Rules provide that, for the purposes of this section:
 - (a) a specified period is a reporting period; and
 - (b) a specified period beginning at the end of a reporting period is the lodgment period for that reporting period.

A period specified under paragraph (a) or (b) may be a recurring period.

Report

- (2) A reporting entity must, within the lodgment period for a reporting period, give the AUSTRAC CEO a report relating to the reporting entity's compliance with this Act, the regulations and the AML/CTF Rules during the reporting period.
- (3) A report under subsection (2) must:
 - (a) be in the approved form; and
 - (b) contain such information as is required by the approved form.

Note: For additional rules about reports, see section 244.

Civil penalty

- (4) Subsection (2) is a civil penalty provision.

Exemption

- (5) This section does not apply to a reporting entity if all of the designated services provided by the reporting entity are covered by item 54 of table 1 in section 6.

Note: Item 54 of table 1 in section 6 covers a holder of an Australian financial services licence who arranges for a person to receive a designated service.

Section 48

Different reporting entities

- (8) AML/CTF Rules made for the purposes of this section may make different provision with respect to different reporting entities. This does not limit subsection 33(3A) of the *Acts Interpretation Act 1901*.

48 Self-incrimination

- (1) A person is not excused from giving a report under section 47 on the ground that the report might tend to incriminate the person or expose the person to a penalty.
- (2) However:
- (a) the report given; or
 - (b) giving the report;
- is not admissible in evidence against the person:
- (c) in civil proceedings other than:
 - (i) proceedings under section 175 for a contravention of subsection 47(2); or
 - (ii) proceedings under the *Proceeds of Crime Act 2002* that relate to this Act; or
 - (d) in criminal proceedings other than:
 - (i) proceedings for an offence against section 136 that relates to section 47; or
 - (ii) proceedings for an offence against section 137.1 of the *Criminal Code* that relates to section 47 of this Act.

Division 6—General provisions

48A Amending or withdrawing reports

- (1) The AML/CTF Rules may make provision in relation to the amendment or withdrawal of a report given under section 41, 43, 46 or 46A.
- (2) Without limiting subsection (1), the AML/CTF Rules may deal with the following:
 - (a) timeframes within which requests to amend or withdraw a report may or must be made;
 - (b) timeframes within which a report must be amended or withdrawn if a request is accepted;
 - (c) the process for making and deciding requests to amend or withdraw a report;
 - (d) the consequences for amending or withdrawing a report.

49 Further information to be given to the AUSTRAC CEO etc.

- (1) If a reporting entity communicates information to the AUSTRAC CEO under section 41, 43, 46 or 46A of this Act, or a reporting entity communicated information to the AUSTRAC CEO under subsection 16(1) or (1A) of the repealed *Financial Transaction Reports Act 1988*, then:
 - (a) the AUSTRAC CEO; or
 - (b) the Commissioner of the Australian Federal Police; or
 - (c) the Chief Executive Officer of the Australian Crime Commission; or
 - (d) the Commissioner of Taxation; or
 - (e) the Comptroller-General of Customs; or
 - (f) the National Anti-Corruption Commissioner; or
 - (g) an investigating officer who is carrying out an investigation arising from, or relating to the matters mentioned in, the information;

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may, by written notice given to the reporting entity or any other person, require the reporting entity or other person:

- (h) to give such further information as is specified in the notice, within the period and in the manner specified in the notice, to the extent to which the reporting entity or other person has that information; or
 - (i) to produce, within the period and in the manner specified in the notice, such documents as are:
 - (i) specified in the notice; and
 - (ii) relevant to the matter to which the communication under section 41, 43, 46 or 46A of this Act, or subsection 16(1) or (1A) of the repealed *Financial Transaction Reports Act 1988*, relates; and
 - (iii) in the possession or control of the reporting entity or other person.
- (1A) A person (the *issuer*) must not give a notice under subsection (1) to another person (the *recipient*) unless the issuer reasonably believes that the recipient has knowledge of the information, or possession or control of the document, that is specified in the notice.
- (1B) The period specified in the notice for giving the information or document must be at least 14 days after the notice is given unless:
- (a) the recipient is the reporting entity who communicated information to the AUSTRAC CEO under section 41, 43, 46 or 46A; or
 - (b) both of the following apply:
 - (i) the issuer considers that specifying a shorter period is necessary;
 - (ii) the shorter period specified is reasonable in the circumstances.

Compliance

- (2) A person must comply with a notice under subsection (1).
- (3) Subsections (2) and (4) are civil penalty provisions.

Legal professional privilege

- (4) If:
- (a) a person is given a notice under subsection (1) in relation to information or a document; and
 - (b) the person reasonably believes that the information or document is privileged from being given or produced on the ground of legal professional privilege;
- the person must give the AUSTRAC CEO an LPP form in relation to the information or document within the period specified in the notice.

Note: For other provisions dealing with legal professional privilege, see sections 242 and 242A.

49A AML/CTF Rules may make provision in relation to reports by registered remittance affiliates

- (1) The AML/CTF Rules may make provision for and in relation to reports required by this Part to be given by a reporting entity that is a registered remittance affiliate of a registered remittance network provider.
- (2) Without limiting subsection (1), the AML/CTF Rules may provide:
 - (a) that an obligation imposed by this Part upon a registered remittance affiliate of a registered remittance network provider to provide a report is taken instead, or in addition, to be an obligation imposed upon the registered remittance network provider; and
 - (b) that an obligation imposed by this Part on a registered remittance affiliate of a registered remittance network provider may be discharged by the registered remittance network provider; and
 - (c) that a report required to be provided as mentioned in paragraph (a) must, or may, be given by the registered remittance network provider in the manner specified in the AML/CTF Rules.

Section 49B

49B Notice to obtain information or documents in certain circumstances

Scope

- (1) This section applies if a person has information or a document that may assist the AUSTRAC CEO with:
- (a) obtaining or analysing information to support efforts to combat money laundering, terrorism financing, proliferation financing or other serious crimes; or
 - (b) identifying trends, patterns, threats or vulnerabilities associated with money laundering, terrorism financing, proliferation financing or other serious crimes;
- for the purposes of the performance of functions of the AUSTRAC CEO.

Requirements

- (2) The AUSTRAC CEO may, by written notice given to the person, require the person:
- (a) to give to the AUSTRAC CEO, within the period and in the manner specified in the notice, any such information; or
 - (b) to produce to the AUSTRAC CEO, within the period and in the manner specified in the notice, any such documents.
- (3) The AUSTRAC CEO must not give a notice under subsection (2) to a person unless the AUSTRAC CEO reasonably believes that the person has knowledge of the information, or possession or control of the document, that is specified in the notice.

Content of notice

- (4) The period specified in the notice in accordance with paragraph (2)(a) or (b) must be at least 14 days after the notice is given unless:
- (a) the AUSTRAC CEO considers that specifying a shorter period is necessary; and

Section 49B

- (b) the shorter period specified is reasonable in the circumstances.
- (5) A notice under subsection (2) must set out the effect of the following provisions:
 - (aa) subsection (6A);
 - (a) subsection (7);
 - (b) section 136;
 - (c) section 137.

Note 1: Section 136 is about giving false or misleading information.

Note 2: Section 137 is about producing false or misleading documents.

Compliance

- (6) A person must comply with a notice under subsection (2).

Legal professional privilege

- (6A) If:
 - (a) a person is given a notice under subsection (2) in relation to information or a document; and
 - (b) the person reasonably believes that the information or document is privileged from being given or produced on the ground of legal professional privilege;the person must give the AUSTRAC CEO an LPP form in relation to the information or document within the period specified in the notice.

Note: For other provisions dealing with legal professional privilege, see sections 242 and 242A.

- (7) Subsections (6) and (6A) are civil penalty provisions.

Section 49C

49C Authorisation to obtain information or documents in certain circumstances

Scope

- (1) This section applies if a person has information or a document that may assist the AUSTRAC CEO with:
- (a) obtaining or analysing information to support efforts to combat money laundering, terrorism financing, proliferation financing or other serious crimes; or
 - (b) identifying trends, patterns, threats or vulnerabilities associated with money laundering, terrorism financing, proliferation financing or other serious crimes;
- for the purposes of the performance of functions of the AUSTRAC CEO.

Authorisation

- (2) The AUSTRAC CEO may, by written notice given to the person, authorise the person:
- (a) to give to the AUSTRAC CEO any such information; or
 - (b) to produce to the AUSTRAC CEO any such documents.

Content of notice

- (3) A notice under subsection (2) must set out the effect of the following provisions:
- (a) subsection (5);
 - (b) section 136;
 - (c) section 137.

Note 1: Section 136 is about giving false or misleading information.

Note 2: Section 137 is about producing false or misleading documents.

Information disclosure etc.

- (4) A person may give information or produce a document to the AUSTRAC CEO in accordance with a notice under subsection (2).

Note: This subsection constitutes an authorisation for the purposes of the *Privacy Act 1988* and other laws.

- (5) This section applies despite any general law obligation of confidence.

50 Request to obtain information about the identity of holders of foreign credit cards and foreign debit cards

Scope

- (1) This section applies to a reporting entity if:
- (a) under section 49, the AUSTRAC CEO or the Commissioner of Taxation has required the reporting entity to give information about the identity of:
 - (i) the holder of, or a signatory to, a particular credit card account; or
 - (ii) the holder of, or a signatory to, a particular debit card account; and
 - (b) the account relates to a credit card, or a debit card, that was issued by a person (the *card issuer*) outside Australia; and
 - (c) the reporting entity does not have that information.

Direction to reporting entity

- (2) The AUSTRAC CEO or the Commissioner of Taxation may, by written notice given to the reporting entity, direct the reporting entity to give the card issuer a request, in a form specified in the notice, to give the information to the reporting entity.
- (3) The reporting entity must comply with the direction within 10 business days after the day on which the direction is given.

Report by reporting entity

- (4) If the reporting entity gives the card issuer a request under subsection (2) that was directed by the AUSTRAC CEO, the reporting entity must, within:

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- (a) 20 business days after the day on which the subsection (2) direction was given; or
 - (b) if the AUSTRAC CEO, by written notice given to the reporting entity, allows a longer period—that longer period; give the AUSTRAC CEO a report about the card issuer’s response, or lack of response, to the request.
- (5) If the reporting entity gives the card issuer a request under subsection (2) that was directed by the Commissioner of Taxation, the reporting entity must, within:
- (a) 20 business days after the day on which the subsection (2) direction was given; or
 - (b) if the Commissioner of Taxation, by written notice given to the reporting entity, allows a longer period—that longer period; give the Commissioner of Taxation a report about the card issuer’s response, or lack of response, to the request.
- (6) A report under subsection (4) or (5) must:
- (a) be in the approved form; and
 - (aa) if the reporting entity reasonably believes that information relating to the matter is privileged from being given on the ground of legal professional privilege—be accompanied by an LPP form in relation to the information; and
 - (b) in a case where the card issuer has given the information to the reporting entity—contain the information; and
 - (c) contain such other information (if any) relating to the matter as is required by the approved form.

Note 1: For additional rules about reports given to the AUSTRAC CEO, see section 244.

Note 2: For other provisions dealing with legal professional privilege, see sections 242 and 242A.

Civil penalty

- (7) Subsections (3), (4) and (5) are civil penalty provisions.

50A Secrecy—information obtained under section 49, 49B or 49C

- (1) A person commits an offence if:
- (a) the person is, or has been, an entrusted investigating official; and
 - (b) the person has obtained information under section 49, 49B or 49C; and
 - (c) the person makes a record of, discloses or otherwise uses the information.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

Exception

- (2) Subsection (1) does not apply if:
- (a) the making of the record, disclosure or use is for the purposes of, or in connection with, the performance or exercise of the person's functions, duties or powers as an entrusted investigating official; or
 - (b) the disclosure is to an AUSTRAC entrusted person or to another entrusted investigating official for the purposes of, or in connection with, the performance or exercise of the AUSTRAC entrusted person's or other official's functions, duties or powers.

Note: A defendant bears an evidential burden in relation to a matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

Courts or tribunals

- (3) Except where it is necessary to do so for the purposes of giving effect to this Act or the repealed *Financial Transaction Reports Act 1988*, a person who is, or has been, an entrusted investigating official is not to be required:
- (a) to produce a document containing information obtained by the person under section 49, 49B or 49C to a court or tribunal; or
 - (b) to disclose information obtained by the person under section 49, 49B or 49C to a court or tribunal.

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51 Division 400 and Chapter 5 of the *Criminal Code*

If a person, or an officer, employee or agent of a person, communicates or gives information under section 41, 43, 46, 46A, 49, 49B or 49C, the person, officer, employee or agent is taken, for the purposes of Division 400 and Chapter 5 of the *Criminal Code*, not to have been in possession of that information at any time.

FUTURE LAW COMPILATION

Part 3A—Reporting Entities Roll

51A Simplified outline

The following is a simplified outline of this Part:

- Reporting entities must be entered on the Reporting Entities Roll.

51B Reporting entities must enrol

- (1) If:
- (a) a person commences to provide a designated service; and
 - (b) the person's name is not entered on the Reporting Entities Roll;
- the person must, no later than 28 days after the day on which the person commences to provide the designated service, apply under subsection 51E(1) for enrolment as a reporting entity.
- (2) Subsection (1) does not apply if the person:
- (a) has applied under subsection 51E(1) in relation to the provision of another designated service; and
 - (b) has not since requested under section 51G that the AUSTRAC CEO remove the person's name and enrolment details from the Reporting Entities Roll.
- (2A) Subsection (1) does not apply if, when the person commences to provide the designated service, the person is already required under that subsection to apply for enrolment because of the provision of another designated service.

Continuing obligation to enrol

- (2B) If:
- (a) a person is required under subsection (1) of this section to apply for enrolment by a particular time; and

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- (b) the person does not apply for enrolment by that time; then the obligation to apply for enrolment continues until:
 - (c) the person applies for enrolment; or
 - (d) the person ceases to be a reporting entity;
- whichever occurs first.

Multiple contraventions

- (2C) A person who contravenes subsection (1) by failing to apply for enrolment as a reporting entity by a particular time (the **enrolment deadline**) is taken to commit a separate contravention of that subsection on each day that occurs:
 - (a) on or after the day on which the enrolment deadline occurs; and
 - (b) on or before the day on which the person's obligation to apply for enrolment ends (see subsection (2B)).
- (2D) To avoid doubt, a person does not contravene subsection (1) more than once on any particular day, even if the person commences to provide a designated service more than once on a particular day or during a particular period.

Civil penalty

- (3) Subsection (1) is a civil penalty provision.

51C Reporting Entities Roll

- (1) The AUSTRAC CEO must maintain a roll for the purposes of this Part, to be known as the Reporting Entities Roll.
- (2) The AUSTRAC CEO may maintain the Reporting Entities Roll by electronic means.
- (3) The Reporting Entities Roll is not a legislative instrument.
- (4) The AML/CTF Rules may make provision for and in relation to either or both of the following:
 - (a) the correction of entries in the Reporting Entities Roll;

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- (b) any other matter relating to the administration or operation of the Reporting Entities Roll, including the removal of names and enrolment details from the Reporting Entities Roll.

51D Enrolment

If a person applies to the AUSTRAC CEO under subsection 51E(1) and the person's name is not already entered on the Reporting Entities Roll, the AUSTRAC CEO must enter on the Reporting Entities Roll:

- (a) the person's name; and
- (b) the person's enrolment details.

51E Applications for enrolment

- (1) A person may apply in writing to the AUSTRAC CEO for enrolment as a reporting entity.
- (2) The application must:
 - (a) be in accordance with the approved form, or in a manner specified in the AML/CTF Rules; and
 - (b) contain the information required by the AML/CTF Rules.

51F Enrolled persons to advise of change in enrolment details

- (1) A person who is enrolled under this Part must advise the AUSTRAC CEO, in accordance with subsection (2), of any change in the person's enrolment details that is of a kind specified in the AML/CTF Rules.
- (2) A person who is required by subsection (1) to advise the AUSTRAC CEO of a change in enrolment details must do so:
 - (a) within 14 days of the change arising; and
 - (b) in accordance with the approved form, or in a manner specified in the AML/CTF Rules.

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Civil penalty

- (3) Subsection (1) is a civil penalty provision.

51G Removal of entries from the Reporting Entities Roll

- (1) A person may, in writing, request the AUSTRAC CEO to remove the person's name and enrolment details from the Reporting Entities Roll.
- (2) The request must:
- (a) be in the approved form; and
 - (b) contain the information required by the AML/CTF Rules.
- (3) The AUSTRAC CEO must consider the request and remove the person's name and enrolment details from the Reporting Entities Roll if the AUSTRAC CEO is satisfied that it is appropriate to do so, having regard to:
- (a) whether the person has ceased to provide designated services; and
 - (b) the likelihood of the person providing a designated service in the financial year beginning after the request is given; and
 - (c) any outstanding obligations the person has (if any) to provide a report under any of the following provisions:
 - (i) section 43 (threshold transaction reports);
 - (ii) section 46 (reports of international value transfer services);
 - (iia) section 46A (reports of transfers of value involving unverified self-hosted virtual asset wallets);
 - (iii) section 47 (AML/CTF compliance reports).

Part 4—Reports about cross-border movements of monetary instruments

Division 1—Simplified outline of this Part

52 Simplified outline of this Part

- Cross-border movements of monetary instruments must be reported to the AUSTRAC CEO, a customs officer or a police officer if the total value moved is \$10,000 or more.

Division 2—Reports about monetary instruments

53 Reports about movements of monetary instruments into or out of Australia

Offence

- (1) A person commits an offence if:
 - (a) either:
 - (i) the person moves one or more monetary instruments into Australia; or
 - (ii) the person moves one or more monetary instruments out of Australia; and
 - (b) the sum of the monetary instrument amounts is \$10,000 or more; and
 - (c) a report in respect of the movement is not given in accordance with this section.

Penalty: Imprisonment for 2 years or 500 penalty units, or both.

Civil penalty

- (2) A person must not:
 - (a) move one or more monetary instruments into Australia; or
 - (b) move one or more monetary instruments out of Australia;if:
 - (c) the sum of the monetary instrument amounts is \$10,000 or more; and
 - (d) a report in respect of the movement is not given in accordance with this section.
- (3) Subsection (2) is a civil penalty provision.

Commercial carriers

- (4) Subsections (1) and (2) do not apply to a person if:
 - (a) the person is a commercial passenger carrier; and

- (b) the monetary instruments are in the possession of any of the carrier's passengers.
- (5) Subsections (1) and (2) do not apply to a person if:
 - (a) the person is a commercial goods carrier; and
 - (b) the monetary instruments are carried on behalf of another person.
- (6) A person who wishes to rely on subsection (4) or (5) bears an evidential burden in relation to that matter.

Requirements for reports under this section

- (7) A report under this section must:
 - (a) be in the approved form; and
 - (b) contain the information specified in the AML/CTF Rules; and
 - (c) be given to the AUSTRAC CEO, a customs officer or a police officer; and
 - (d) comply with the applicable timing rule in the AML/CTF Rules.

Note 1: For additional rules about reports, see section 244.

Note 2: Division 8 of Part 15 sets out special enforcement powers relating to this section.

Note 3: See also section 18 (translation of foreign currency to Australian currency).

54 Reports about receipts of monetary instruments moved into Australia

Offence

- (1) A person commits an offence if:
 - (a) the person receives one or more monetary instruments moved into Australia to the person; and
 - (b) at the time of the receipt, the sum of the monetary instrument amounts is \$10,000 or more; and

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- (c) a report in respect of the receipt is not given in accordance with this section.

Penalty: Imprisonment for 2 years or 500 penalty units, or both.

Civil penalty

- (2) A person must not receive one or more monetary instruments moved into Australia to the person if:
- (a) at the time of the receipt, the sum of the monetary instrument amounts is \$10,000 or more; and
 - (b) a report in respect of the receipt is not given in accordance with this section.
- (3) Subsection (2) is a civil penalty provision.

Requirements for reports under this section

- (4) A report under this section must:
- (a) be in the approved form; and
 - (b) contain the information specified in the AML/CTF Rules; and
 - (c) be given to the AUSTRAC CEO, a customs officer or a police officer; and
 - (d) be given before the end of 5 business days beginning on the day of the receipt.

Note 1: For additional rules about reports, see section 244.

Note 2: See also section 18 (translation of foreign currency to Australian currency).

55 Movements of monetary instruments into Australia

For the purposes of this Act, a person *moves* a monetary instrument into Australia if the person brings or sends the instrument into Australia.

56 Movements of monetary instruments out of Australia

- (1) For the purposes of this Act, a person *moves* a monetary instrument out of Australia if the person takes or sends the instrument out of Australia.
- (2) For the purposes of this Act, if:
 - (a) a person arranges to leave Australia on an aircraft or ship;
and
 - (b) either:
 - (i) the person has a monetary instrument in the person's baggage, and the person enters a place at which customs officers examine passports; or
 - (ii) the person takes a monetary instrument into a place at which customs officers examine passports;the person is taken to have *moved* the instrument out of Australia when the person leaves that place.

57 Obligations of customs officers and police officers

If a customs officer or police officer receives a report under section 53 or 54, the officer must forward it to the AUSTRAC CEO before the end of 5 business days beginning on the day of the receipt.

Division 4—Information about reporting obligations

61 Power to affix notices about reporting obligations

Scope

- (1) This section applies to a written notice:
 - (a) that relates to reporting obligations under this Part; and
 - (b) the form and contents of which are specified in the AML/CTF Rules.

Power to affix notices

- (2) A customs officer may affix, or arrange for another person to affix, one or more notices:
 - (a) on any part of an aircraft or ship; or
 - (b) in any other place specified in the AML/CTF Rules.

Offence

- (3) A person commits an offence if:
 - (a) a notice has been affixed under this section; and
 - (b) the person engages in conduct; and
 - (c) the person's conduct results in:
 - (i) interference with the notice; or
 - (ii) the removal of the notice; or
 - (iii) defacement of the notice.

Penalty: 50 penalty units.

- (4) Subsection (3) does not apply if the person's conduct is authorised by the AUSTRAC CEO or the Comptroller-General of Customs.

Note: A defendant bears an evidential burden in relation to the matter in subsection (4) (see subsection 13.3(3) of the *Criminal Code*).

- (5) An offence against subsection (3) is an offence of strict liability.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

62 Notice about reporting obligations to be given to travellers to Australia

Scope

- (1) This section applies to a written notice:
 - (a) that relates to reporting obligations under this Part; and
 - (b) the form and contents of which are specified in the AML/CTF Rules.

Notice to be given to travellers

- (2) If an aircraft or ship leaves a place outside Australia to travel to a place in Australia without stopping at any other place outside Australia, the person in charge of the aircraft or ship must:
 - (a) give a copy of the notice, or communicate the information contained in the notice in the manner prescribed by the AML/CTF Rules, to all persons travelling on the aircraft or ship (including members of the crew); or
 - (b) cause a copy of the notice to be given, or cause to be communicated the information contained in the notice in the manner prescribed by the AML/CTF Rules, to all persons travelling on the aircraft or ship (including members of the crew).

Offence

- (3) A person commits an offence if:
 - (a) the person is subject to a requirement under subsection (2); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement.

Penalty: 50 penalty units.

- (4) An offence against subsection (3) is an offence of strict liability.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

Part 5—Obligations relating to transfers of value

Division 1—Introduction

63 Simplified outline

The following is a simplified outline of this Part.

- An ordering institution, a beneficiary institution and an intermediary institution in a transfer of value must fulfil certain obligations in relation to the transfer.
- The obligations of an ordering institution relate to the information the institution collects, verifies and provides as part of the transfer.
- The obligations of a beneficiary institution relate to the information the institution receives or otherwise obtains as part of the transfer.
- The obligations of an intermediary institution relate to the information the institution receives and provides as part of the transfer.
- Additional obligations apply if the transfer of value is a transfer of a virtual asset.

63A Key terms relating to transfers of value

Ordering institutions

- (1) Whether a person is an **ordering institution** is to be determined in accordance with the AML/CTF Rules.
- (2) Without limiting subsection (1), AML/CTF Rules made for the purposes of that subsection may specify the following:

- (a) criteria or other requirements that a person must satisfy to be an ordering institution;
 - (b) circumstances in which a person is an ordering institution.
- (4) However, none of the following persons are an **ordering institution**:
- (a) a person who transfers value in circumstances where the transfer is reasonably incidental to the provision of another service unless:
 - (i) the person is a financial institution; or
 - (ii) the person is providing an international value transfer service incidentally to a designated service covered by item 50, 50A or 50B of table 1 in section 6; or
 - (iii) the person is providing an international value transfer service incidentally to a designated service covered by table 3 in section 6;
 - (b) a person specified in the AML/CTF Rules.

Beneficiary institutions

- (5) Whether a person is a **beneficiary institution** is to be determined in accordance with the AML/CTF Rules.
- (6) Without limiting subsection (5), AML/CTF Rules made for the purposes of that subsection may specify the following:
- (a) criteria or other requirements that a person must satisfy to be a beneficiary institution;
 - (b) circumstances in which a person is a beneficiary institution.
- (8) However, none of the following persons are a **beneficiary institution**:
- (a) a person who makes value available in circumstances where the making available of the value is reasonably incidental to the provision of another service unless:
 - (i) the person is a financial institution;

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- (ii) the person is providing an international value transfer service incidentally to a designated service covered by item 50, 50A or 50B of table 1 in section 6;
 - (iii) the person is providing an international value transfer service incidentally to a designated service covered by table 3 in section 6;
- (b) a person specified in the AML/CTF Rules.

Intermediary institution

- (9) A person is an **intermediary institution** if the person:
- (a) in the course of carrying on a business, receives and passes on a transfer message for a transfer of value in a value transfer chain; or
 - (b) is specified in the AML/CTF Rules.
- (10) However, none of the following persons are an **intermediary institution**:
- (a) a person who solely provides the infrastructure that permits persons to send transfer messages for a transfer of value to another person in the value transfer chain;
 - (b) a person who is specified in the AML/CTF Rules.

Value transfer chain

- (11) The following persons are taken to form a **value transfer chain**:
- (a) the ordering institution;
 - (b) each intermediary institution (if any) between the ordering institution and the beneficiary institution;
 - (c) the beneficiary institution.

Institutions

- (12) Each person in a value transfer chain is an **institution**.

Payer and payee may be same person etc.

- (13) For the purposes of this Act:

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- (a) the payer and the payee in relation to a transfer of value may be the same person; and
- (b) the ordering institution and the beneficiary institution in relation to a transfer of value may be the same person.

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Division 2—Obligations of institutions

64 Obligations of ordering institutions

Scope

- (1) This section applies if an ordering institution commences to provide the designated service covered by item 29 of table 1 in section 6.

Note 1: For exemptions, see sections 67 and 67A.

Note 2: An ordering institution may also have obligations under the *Autonomous Sanctions Act 2011* and the *Charter of the United Nations Act 1945* in relation to persons designated for targeted financial sanctions.

Obligations of ordering institution

- (2) Before the ordering institution passes on a transfer message for the transfer of value, or otherwise gives effect to the transfer of value, the ordering institution must:
 - (a) collect the information specified in the AML/CTF Rules; and
 - (b) if required by the AML/CTF Rules—verify the information specified in the AML/CTF Rules in accordance with sections 28 and 30 (as applicable).
- (3) If the ordering institution and the beneficiary institution for the transfer of value are not the same person, the ordering institution must pass on the information specified in the AML/CTF Rules relating to the transfer of value to the next institution in the value transfer chain.
- (4) If the transfer message for the transfer of value does not give effect to the transfer of value then, for the purposes of subsection (3), the message must be passed on before, or at the same time as, the ordering institution gives effect to the transfer of value.
- (5) The ordering institution must provide the following information to another institution in the value transfer chain as soon as practicable after receiving a request from the institution for that information:

- (a) the information specified by the AML/CTF Rules for the purposes of paragraph (2)(a);
- (b) the information specified by the AML/CTF Rules for the purposes of subsection (3).

AML/CTF Rules

- (6) AML/CTF Rules made for the purposes of this section may make different provision in relation to different kinds of institutions, information, circumstances or any other matter. This does not limit subsection 33(3A) of the *Acts Interpretation Act 1901*.

Civil penalty

- (7) Subsections (2), (3) and (5) are civil penalty provisions.

65 Obligations of beneficiary institutions

Scope

- (1) This section applies if a beneficiary institution commences to provide the designated service covered by item 30 of table 1 in section 6 to a payee.

Note: For exemptions, see sections 67 and 67A.

Obligations of beneficiary institution

- (2) The beneficiary institution must take reasonable steps to monitor:
 - (a) whether it has received the information specified in the AML/CTF Rules relating to the transfer of value; and
 - (b) whether the information received about the payee is accurate.
- (3) If:
 - (a) the beneficiary institution:
 - (i) detects that it has not received all of the information mentioned in paragraph (2)(a); and
 - (ii) has not otherwise obtained the information; or

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- (b) the beneficiary institution detects that some or all of the information received or otherwise obtained about the payee is not accurate;

then the beneficiary institution must, in accordance with its AML/CTF program, do at least one of the following:

- (c) refuse to make the transferred value available to the payee;
(d) take such other action as the beneficiary institution determines.

Note: See also section 26G (reporting entities must comply with AML/CTF policies).

AML/CTF Rules

- (4) AML/CTF Rules made for the purposes of this section may make different provision in relation to different kinds of institutions, information, circumstances or any other matter. This does not limit subsection 33(3A) of the *Acts Interpretation Act 1901*.

Civil penalty

- (5) Subsection (2) is a civil penalty provision.

66 Obligations of intermediary institutions

Scope

- (1) This section applies if an intermediary institution commences to provide the designated service covered by item 31 of table 1 in section 6 in relation to a transfer of value.

Note 1: For exemptions, see section 67.

Note 2: An intermediary institution may also have obligations under the *Autonomous Sanctions Act 2011* and the *Charter of the United Nations Act 1945* in relation to persons designated for targeted financial sanctions.

Obligations of intermediary institutions

- (2) The intermediary institution must take reasonable steps to monitor whether it has received the information specified in the AML/CTF Rules relating to the transfer of value.
- (3) If the intermediary institution detects that it has not received all of the information mentioned in subsection (2), and the intermediary institution has not otherwise obtained the information, the intermediary institution must, in accordance with its AML/CTF program, do at least one of the following:
 - (a) refuse to pass on the transfer message for the transfer of value;
 - (b) take such other action as the intermediary institution determines.

Note: See also section 26G (reporting entities must comply with AML/CTF policies).

- (4) In passing on a transfer message for a transfer of value, the intermediary institution must include:
 - (a) information, of a kind specified in the AML/CTF Rules, that is received from the previous institution in the value transfer chain; or
 - (b) information obtained in accordance with the intermediary institution's AML/CTF program that is relevant to the transfer.
- (5) The intermediary institution must provide the information referred to in subsection (4) to another institution in the value transfer chain as soon as practicable after receiving a request from the institution for that information.

AML/CTF Rules

- (6) AML/CTF Rules made for the purposes of this section may make different provision in relation to different kinds of institutions, information, circumstances or any other matter. This does not limit subsection 33(3A) of the *Acts Interpretation Act 1901*.

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Civil penalty

- (7) Subsections (2), (4) and (5) are civil penalty provisions.

66A Obligations of ordering and beneficiary institutions relating to virtual asset transfers

Scope

- (1) This section applies to the transfer of a virtual asset.

Ordering institution obligations

- (2) Before commencing to provide the designated service covered by item 29 of table 1 in section 6, an ordering institution must undertake due diligence to determine, on reasonable grounds, whether the virtual asset wallet to which the virtual asset is being transferred is:
- (a) a custodial wallet controlled by a person who is licensed or registered under a law that gives effect to the FATF Recommendations; or
 - (b) a custodial wallet controlled by a person who is not required to be licensed or registered under a law that gives effect to the FATF Recommendations; or
 - (c) a custodial wallet controlled by a person who is required to be licensed or registered under a law that gives effect to the FATF Recommendations, but is not so licensed or registered; or
 - (d) a self-hosted wallet controlled by the payee.
- (3) The ordering institution must pass on the information specified in the AML/CTF Rules for the purposes of subsection 64(3) relating to the transfer of value to a beneficiary institution if the beneficiary institution is:
- (a) a person who is licensed or registered under a law that gives effect to the FATF Recommendations; or
 - (b) a person who is not required to be licensed or registered under a law that gives effect to the FATF Recommendations.

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- (4) An ordering institution must not provide the designated service covered by item 29 of table 1 in section 6 if this would involve passing on a transfer message for a transfer of value to a person:
- (a) who is required to be licensed or registered under a law that gives effect to the FATF Recommendations; but
 - (b) is not so licensed or registered.

Beneficiary institution obligations

- (5) Before commencing to provide the designated service covered by item 30 of table 1 in section 6, a beneficiary institution must undertake due diligence to determine, on reasonable grounds, whether the virtual asset wallet from which the virtual asset has been transferred is:
- (a) a custodial wallet controlled by a person who is licensed or registered under a law that gives effect to the FATF Recommendations; or
 - (b) a custodial wallet controlled by a person who is not required to be licensed or registered under a law that gives effect to the FATF Recommendations; or
 - (c) a custodial wallet controlled by a person who is required to be licensed or registered under a law that gives effect to the FATF Recommendations, but is not so licensed or registered; or
 - (d) a self-hosted wallet controlled by the payer.
- (6) A beneficiary institution must not provide the designated service covered by item 30 of table 1 in section 6 in relation to a transfer of value until the beneficiary institution has received or otherwise obtained the information specified in the AML/CTF Rules for the purposes of subsection 65(2) in relation to the transfer.
- (7) A beneficiary institution must not provide the designated service covered by item 30 of table 1 in section 6 if:
- (a) the virtual asset wallet from which the virtual asset has been transferred is a custodial wallet controlled by a person who is required to be licensed or registered under a law that gives effect to the FATF Recommendations; and

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- (b) the person is not so licensed or registered.

Civil penalty

- (8) Subsections (2) to (7) are civil penalty provisions.

Exceptions

- (9) Subsection (3) does not apply if:
- (a) either:
 - (i) the ordering institution has established on reasonable grounds that the beneficiary institution is not capable of receiving the information securely; or
 - (ii) the ordering institution reasonably believes that there is a risk that the beneficiary institution is not capable of safeguarding the confidentiality of the information; and
 - (b) the ordering institution makes and keeps a record of the reasons for not passing on the information.
- (10) Subsection (6) does not apply if:
- (a) the beneficiary institution has established on reasonable grounds that an institution in the value transfer chain is not capable of passing on the information securely; and
 - (b) in accordance with the beneficiary institution's AML/CTF program, the beneficiary institution appropriately identifies, assesses, mitigates and manages the risks of money laundering, financing of terrorism and proliferation financing that the beneficiary institution may reasonably face in providing the designated service.
- (11) A person who wishes to rely on subsection (9) or (10) bears an evidential burden in relation to that matter.

Division 4—General provisions

67 Exemptions—general

- (1) The AML/CTF Rules may provide that this Part, or a specified provision of this Part, does not apply:
 - (a) to a specified kind of designated service; or
 - (b) to a transfer of value that occurs in specified circumstances.
- (2) AML/CTF Rules made for the purposes of subsection (1) may make different provision in relation to different kinds of institutions, information, circumstances or any other matter. This does not limit subsection 33(3A) of the *Acts Interpretation Act 1901*.

67A Exemption—escrow services

- (1) This section applies to a person if:
 - (a) the person is any of the following:
 - (i) a qualified accountant;
 - (ii) a reporting entity that uses qualified accountants to supply professional accounting services;
 - (iii) a legal practitioner (however described);
 - (iv) a reporting entity that uses legal practitioners (however described) to supply professional legal services; and
 - (b) the person provides a designated service covered by item 3 of table 6 in section 6 for the purposes of an escrow agreement.
- (2) Despite section 6, the designated service provided by the person, to the extent that it is provided for the purposes of the escrow agreement, is not also a designated service covered by item 29 or 30 of table 1 in that section.

68 Defence of relying on information supplied by another person

Scope

- (1) This section applies to section 175 proceedings for a contravention of a civil penalty provision of Division 2.

Defence

- (2) In the proceedings, it is a defence if the defendant proves that:
- (a) the contravention in respect of which the proceedings were instituted was due to reasonable reliance on information given by another person; and
 - (b) the other person did not give the information in the other person's capacity as an officer, employee or agent of the person who relied on the information.

Part 6—The Remittance Sector Register

Division 1—Simplified outline

73 Simplified outline

The following is a simplified outline of this Part:

- This Part provides for a tiered system of registration for providers of registrable remittance network services and providers of registrable remittance services.
- Division 2 sets out offences and civil penalties in relation to the provision of registrable remittance network services and registrable remittance services by persons who are not registered.
- Division 3 requires the AUSTRAC CEO to maintain the Remittance Sector Register and sets out the process of applying for registration.

Division 2—Restrictions on providing certain remittance services

74 Unregistered persons must not provide certain remittance services

Registrable remittance network services

- (1) A person (the *first person*) must not provide a registrable remittance network service to another person if:
- (a) the first person is not a registered remittance network provider; or
 - (b) the first person is a registered remittance network provider, but the person to whom the service is provided is not a registered remittance affiliate of the first person.

Registrable remittance services—independents

- (1A) A person must not provide a registrable remittance service if:
- (a) the person provides the service other than as part of a remittance network operated by a registered remittance network provider; and
 - (b) the person is not a registered independent remittance dealer.

Registrable remittance services—affiliates

- (1B) A person must not provide a registrable remittance service if:
- (a) the person provides the service as part of a remittance network operated by a registered remittance network provider; and
 - (b) the person is not a registered remittance affiliate of the registered remittance network provider.

Breach of conditions

- (1C) A person must not breach a condition to which the registration of the person as any of the following is subject:

- (a) a remittance network provider;
- (b) an independent remittance dealer;
- (c) a remittance affiliate of a registered remittance network provider.

Offences

- (2) A person commits an offence if:
- (a) the person is subject to a requirement under subsection (1), (1A), (1B) or (1C); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement.

Penalty: Imprisonment for 2 years or 500 penalty units, or both.

- (3) Strict liability applies to paragraphs (2)(b) and (c).

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

- (4) A person commits an offence if:
- (a) the person is subject to a requirement under subsection (1), (1A), (1B) or (1C); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement; and
 - (d) the AUSTRAC CEO previously:
 - (i) gave the person a direction under subsection 191(2) in relation to subsection (1), (1A), (1B) or (1C) of this section; or
 - (ii) accepted an undertaking given by the person under section 197 in relation to subsection (1), (1A), (1B) or (1C) of this section; and
 - (e) that was the only occasion on which the AUSTRAC CEO previously gave such a direction to, or accepted such an undertaking from, the person.

Penalty: Imprisonment for 4 years or 1,000 penalty units, or both.

- (5) Strict liability applies to paragraphs (4)(b) and (c).

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Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

- (6) A person commits an offence if:
- (a) the person is subject to a requirement under subsection (1), (1A), (1B) or (1C); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement; and
 - (d) the AUSTRAC CEO previously:
 - (i) gave the person a direction under subsection 191(2) in relation to subsection (1), (1A), (1B) or (1C) of this section; or
 - (ii) accepted an undertaking given by the person under section 197 in relation to subsection (1), (1A), (1B) or (1C) of this section; and
 - (e) that was not the only occasion on which the AUSTRAC CEO previously gave such a direction to, or accepted such an undertaking from, the person.

Penalty: Imprisonment for 7 years or 2,000 penalty units, or both.

- (7) Strict liability applies to paragraphs (6)(b) and (c).

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

- (8) A person commits an offence if:
- (a) the person is subject to a requirement under subsection (1), (1A), (1B) or (1C); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement; and
 - (d) either:
 - (i) the person had previously been convicted of an offence against subsection (2), (4) or (6), and that conviction has not been set aside or quashed; or
 - (ii) an order had previously been made against the person under section 19B of the *Crimes Act 1914* in respect of an offence against subsection (2), (4) or (6), and that order has not been set aside.

Penalty: Imprisonment for 7 years or 2,000 penalty units, or both.

(9) Strict liability applies to paragraphs (8)(b) and (c).

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

Civil penalty

(10) Subsections (1), (1A), (1B) and (1C) are civil penalty provisions.

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Division 3—Registration of persons

75 Remittance Sector Register

- (1) The AUSTRAC CEO must maintain a register for the purposes of this Part, to be known as the Remittance Sector Register.
- (2) The AUSTRAC CEO may maintain the Remittance Sector Register by electronic means.
- (3) The Remittance Sector Register is not a legislative instrument.
- (4) The AML/CTF Rules may make provision for and in relation to the following:
 - (a) the correction of entries in the Remittance Sector Register;
 - (b) the publication of the Remittance Sector Register in whole or part, or of specified information entered on the Remittance Sector Register;
 - (c) any other matter relating to the administration or operation of the Remittance Sector Register.

75A Information to be entered on the Remittance Sector Register

- (1) If the AUSTRAC CEO decides to register a person under subsection 75C(2), the AUSTRAC CEO must enter the following details on the Remittance Sector Register:
 - (a) the name of the person;
 - (b) whether the person is registered as:
 - (i) a remittance network provider; or
 - (ii) an independent remittance dealer; or
 - (iii) a remittance affiliate of a registered remittance network provider;
 - (c) if the person is registered as a remittance affiliate of a registered remittance network provider—the name of the registered remittance network provider;
 - (d) any conditions to which the registration of the person is subject;

- (e) the date on which the registration takes effect;
 - (f) the registrable details in relation to the person.
- (2) To avoid doubt, nothing in this Part prevents separate entries being entered on the Remittance Sector Register in relation to the same person in different capacities.

75B Applications for registration

- (1) A person may apply in writing to the AUSTRAC CEO for registration as:
- (a) a remittance network provider; or
 - (b) an independent remittance dealer; or
 - (c) subject to subsection (5)—a remittance affiliate of a registered remittance network provider.
- (2) A registered remittance network provider may apply in writing to the AUSTRAC CEO for another person to be registered as a remittance affiliate of the registered remittance network provider.
- (3) An application under subsection (1) or (2) must:
- (a) be in the approved form; and
 - (b) contain the information required by the AML/CTF Rules.
- (4) Without limiting the information that the AML/CTF Rules may require under paragraph (3)(b), the AML/CTF Rules may require information relating to the matters mentioned in paragraph 75C(2)(a) or in Rules made under paragraph 75C(2)(b) (these provisions deal with matters to which the AUSTRAC CEO must have regard in deciding whether to register a person).
- (5) A person may apply for registration as a remittance affiliate of a registered remittance network provider as mentioned in paragraph (1)(c) only if:
- (a) either:
 - (i) when the person makes the application, the person is a registered independent remittance dealer; or

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- (ii) the application is made in conjunction with an application by the person for registration as a registered independent remittance dealer; and
- (b) the registered remittance network provider has consented to the making of the application.

Deemed refusal in certain circumstances

- (6) If the AUSTRAC CEO has not made a decision on the application within the relevant period, the AUSTRAC CEO is taken to have decided not to register the person at the end of the relevant period. The **relevant period** is the period of 90 days beginning on the latest of the following days:
 - (a) the day the application is made;
 - (b) if the AUSTRAC CEO requests information under subsection 75N(1) in relation to the application—the last day such information is provided;
 - (c) if the person makes a submission under section 75Q in relation to the application—the day the person makes the submission.

Note: A deemed decision not to register the person is reviewable (see Part 17A).

- (7) However, if the AUSTRAC CEO determines in writing that:
 - (a) the application cannot be dealt with properly within the 90 day period, either because of its complexity or because of other special circumstances; and
 - (b) that period is extended by a specified period of not more than 30 days;the relevant period is that period as so extended. The AUSTRAC CEO must notify the applicant in writing of the determination before the end of the 90 day period.

75C Registration by AUSTRAC CEO

When section applies

- (1) This section applies if an application has been made under section 75B for registration of a person.

When AUSTRAC CEO must register a person

- (2) The AUSTRAC CEO must decide to register the person in accordance with the application if the AUSTRAC CEO is satisfied that it is appropriate to do so, having regard to:
 - (a) whether registering the person would involve a significant money laundering, financing of terrorism, people smuggling or other serious crime risk; and
 - (b) such other matters (if any) as are specified in the AML/CTF Rules under this paragraph.

Note: A decision not to register the person is reviewable (see Part 17A).

Matters that may be specified in the AML/CTF Rules

- (3) Without limiting the matters that the AML/CTF Rules may specify under paragraph (2)(b), the matters may relate to the following:
 - (a) offences of which the applicant for registration, a person proposed to be entered on the Remittance Sector Register as a remittance affiliate of the applicant, or any other person, has been charged or convicted under the law of the Commonwealth, a State or Territory or a foreign country;
 - (b) the compliance or non-compliance of the applicant, a person proposed to be entered on the Remittance Sector Register as a remittance affiliate of the applicant, or any other person, with this Act or any other law;
 - (c) the legal and beneficial ownership and control of the applicant, a person proposed to be entered on the Remittance Sector Register as a remittance affiliate of the applicant, or any other person;
 - (d) the kinds of designated services to be provided by the applicant or by a person proposed to be entered on the

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Remittance Sector Register as a remittance affiliate of the applicant;

- (e) the consent of a person proposed to be entered on the Remittance Sector Register as a remittance affiliate of the applicant.

Notice of decision to register

- (4) The AUSTRAC CEO must, as soon as practicable after deciding to register a person, give a written notice to:
 - (a) the applicant for registration; and
 - (b) if the application was made by a registered remittance network provider for another person to be registered as a remittance affiliate of the registered remittance network provider—the other person.

Contents of notice of decision to register

- (5) A notice under subsection (4) in relation to a decision to register a person must specify:
 - (a) whether the person is registered as:
 - (i) a remittance network provider; or
 - (ii) an independent remittance dealer; or
 - (iii) a remittance affiliate of a registered remittance network provider; and
 - (b) the conditions (if any) to which the registration is subject (see section 75E); and
 - (c) the date on which the registration takes effect.

75D Spent convictions scheme

The AML/CTF Rules made under paragraph 75B(3)(b) or 75C(2)(b) must not affect the operation of Part VIIC of the *Crimes Act 1914* (which includes provisions that, in certain circumstances, relieve persons from the requirement to disclose spent convictions and require persons aware of such convictions to disregard them).

75E Registration may be subject to conditions

- (1) The AUSTRAC CEO may, in writing, impose conditions to which the registration of a person under this Part is subject.

Note: A decision to impose a condition is reviewable (see Part 17A).

- (2) Without limiting the conditions that the AUSTRAC CEO may impose under subsection (1), the conditions may relate to the following:
- (a) the volume of funds remitted (whether by reference to a particular time, a particular amount or otherwise);
 - (b) the destination (however described) of funds remitted;
 - (c) requiring notification of particular changes in circumstances.

Note: Section 75M imposes a general obligation in relation to notification of changes in circumstances.

75F When registration of a person ceases

- (1) The registration of a person ceases at the earliest of the following times:
- (a) when the cancellation of the registration of the person under section 75G takes effect;
 - (b) when the entry relating to the registration of the person is removed from the Remittance Sector Register under subsection 75K(2);
 - (c) subject to subsection (2)—3 years after the day on which the registration took effect;
 - (d) in the case of an individual—when the individual dies;
 - (e) in the case of a body corporate—when the body corporate ceases to exist.
- (2) Paragraph (1)(c) is subject to the AML/CTF Rules made under section 75J (which deals with renewal of registration).

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75G Cancellation of registration

- (1) The AUSTRAC CEO may cancel the registration of a person if the AUSTRAC CEO is satisfied that it is appropriate to do so, having regard to:
 - (a) whether the continued registration of the person involves, or may involve, a significant money laundering, financing of terrorism, people smuggling or other serious crime risk; or
 - (b) one or more breaches by the person of a condition of registration; or
 - (c) such other matters (if any) as are specified in the AML/CTF Rules under this paragraph.

Note: A decision to cancel a registration is reviewable (see Part 17A).

- (1A) The AUSTRAC CEO may also cancel the registration of a person if the AUSTRAC CEO has reasonable grounds to believe that the registered person no longer carries on a business that gives rise to the requirement to be registered under this Part.
- (2) The cancellation of the registration of a person takes effect on the day specified in the notice given to the person under subsection 233C(1).
- (3) The AUSTRAC CEO may publish, in the manner specified in the AML/CTF Rules, a list of the names of persons whose registration has been cancelled and the date the cancellation takes effect.

75H Suspension of registration

- (1) The AML/CTF Rules may make provision for and in relation to the suspension of registrations by the AUSTRAC CEO under this Part.
- (2) The AML/CTF Rules may provide for matters including, but not limited to, the following:
 - (a) the grounds for suspension of registration;
 - (b) the effect of suspension on registration;
 - (c) the period for which suspensions have effect;

- (d) the effect of suspension of a registered remittance network provider upon its registered remittance affiliates;
- (e) making entries in and removing entries from the Remittance Sector Register in relation to suspension;
- (f) notices of suspension;
- (g) review of decisions relating to suspension.

75J Renewal of registration

- (1) The AML/CTF Rules may make provision for and in relation to the renewal of registrations by the AUSTRAC CEO under this Part.
- (2) The AML/CTF Rules may provide for matters including, but not limited to, the following:
 - (a) the making of applications for renewal;
 - (b) the period within which applications for renewal may be made;
 - (c) the criteria for determining applications for renewal;
 - (d) entries in the Remittance Sector Register in relation to renewal;
 - (e) the giving of notices relating to decisions on applications for renewal;
 - (f) review of decisions relating to applications for renewal;
 - (g) the period for which renewed registrations have effect.
- (3) In particular, the AML/CTF Rules may provide that:
 - (a) if the registration of a person would otherwise cease at the end of the period of 3 years commencing on the day on which the registration took effect; and
 - (b) before the end of that period, an application for renewal of the registration was made to the AUSTRAC CEO within the period, and in the manner provided for, in the AML/CTF Rules;the registration of the person continues in effect after the end of that period in accordance with the Rules.

75K Removal of entries from the Remittance Sector Register

Removal on request

- (1) A person who is one or more of the following:
 - (a) a registered remittance network provider;
 - (b) a registered independent remittance dealer;
 - (c) a registered remittance affiliate of a registered remittance network provider;may request the AUSTRAC CEO, in writing, to remove the entry relating to one or more of the registrations of the person from the Remittance Sector Register.
- (2) If a person makes a request under subsection (1) in relation to one or more registrations, the AUSTRAC CEO must remove from the Remittance Sector Register the entry relating to each registration to which the request relates.

Removal on cessation of registration—remittance network providers

- (3) If a person ceases to be a registered remittance network provider, the AUSTRAC CEO must remove from the Remittance Sector Register:
 - (a) the entry relating to the registered remittance network provider; and
 - (b) each entry relating to a registered remittance affiliate of the registered remittance network provider.

Removal on cessation of registration—independent remittance dealers and affiliates

- (4) If a person ceases to be a registered independent remittance dealer or a registered remittance affiliate of a registered remittance network provider, the AUSTRAC CEO must remove from the Remittance Sector Register each entry relating to the independent remittance dealer or the remittance affiliate, as the case requires.

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Notice of removal—remittance network providers

- (5) The AUSTRAC CEO must, as soon as reasonably practicable, notify a remittance network provider, in writing, if:
- (a) the AUSTRAC CEO removes from the Remittance Sector Register an entry relating to a remittance affiliate of the provider; and
 - (b) the removal of the affiliate was not because of the removal of the provider as required by paragraph (3)(b).

Notice of removal—affiliates of remittance network providers

- (6) The AUSTRAC CEO must, as soon as reasonably practicable, notify each affiliate of a remittance network provider, in writing, if the AUSTRAC CEO removes from the Remittance Sector Register the entry relating to the provider.

75L AML/CTF Rules—general provision

If a provision of this Part provides for the AML/CTF Rules to make provision in relation to a matter relating to the registration or proposed registration of a person, the AML/CTF Rules may make different provision in relation to a matter depending on whether the registration or proposed registration of the person is as:

- (a) a remittance network provider; or
- (b) an independent remittance dealer; or
- (c) a remittance affiliate of a registered remittance network provider.

75M Registered persons to advise of material changes in circumstance etc.

- (1) A person who is registered under this Part as:
- (a) a remittance network provider; or
 - (b) an independent remittance dealer; or

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- (c) a remittance affiliate of a registered remittance network provider that applied for registration on its own behalf (see paragraph 75B(1)(c));
- must advise the AUSTRAC CEO of the following:
- (d) any change in circumstances that could materially affect the person's registration;
 - (e) any matters specified in the AML/CTF Rules for the purposes of this paragraph.
- (2) A registered remittance affiliate of a registered remittance network provider must advise the provider of the following:
- (a) any change in circumstances that could materially affect the person's registration;
 - (b) any matters specified in the AML/CTF Rules for the purposes of this paragraph;
- unless the affiliate applied for registration on its own behalf (see paragraph 75B(1)(c)).
- (3) A registered remittance network provider must advise the AUSTRAC CEO of any changes notified to it under subsection (2).
- (4) A person who is required by this section to advise the AUSTRAC CEO or a registered remittance network provider of a change in circumstances or a matter must do so in accordance with the approved form, and:
- (a) in the case of a requirement under subsection (1) or (2)—within 14 days of the change in circumstances or the matter arising (however described); and
 - (b) in the case of a requirement under subsection (3)—within 7 days of the registered remittance network provider concerned receiving the advice.

Civil penalty

- (5) Subsections (1), (2) and (3) are civil penalty provisions.

75N AUSTRAC CEO may request further information

- (1) The AUSTRAC CEO may, in writing, request further information from any person for the purposes of making a decision under this Part.
- (2) The AUSTRAC CEO is not required to make a decision under this Part until any information requested under subsection (1) in relation to the decision has been provided.
- (3) If:
 - (a) a person is given a request under subsection (1) in relation to information; and
 - (b) the person reasonably believes that the information is privileged from being given on the ground of legal professional privilege;the person must give the AUSTRAC CEO an LPP form in relation to the information within the period specified in the request.
- (4) Subsection (3) is a civil penalty provision.

Note: For other provisions dealing with legal professional privilege, see sections 242 and 242A.

75P Immunity from suit

An action, suit or proceeding (whether criminal or civil) does not lie against:

- (a) the Commonwealth; or
 - (b) the AUSTRAC CEO; or
 - (c) a member of the staff of AUSTRAC;
- in relation to the publication of the Remittance Sector Register or a list of a kind mentioned in subsection 75G(3).

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75Q Steps to be taken by AUSTRAC CEO before making certain reviewable decisions

- (1) Before making a reviewable decision under section 75C, 75E or 75G in relation to one or more persons, the AUSTRAC CEO must give a written notice to each of the persons containing:
 - (a) the terms of the proposed decision; and
 - (b) if the proposed decision is to cancel a registration—the date on which the cancellation is proposed to take effect; and
 - (c) the reasons for the proposed decision; and
 - (d) a statement that the person may, within 28 days of the giving of the notice, make a submission under this section in relation to the proposed decision.

Note: An example of a reviewable decision relating to 2 persons is a decision refusing to register a person as a remittance affiliate of a registered remittance network provider, if the provider applied under subsection 75B(2) for that person to be so registered.

- (2) The AUSTRAC CEO is not required to give a notice under this section if the AUSTRAC CEO is satisfied that it is inappropriate to do so because of the urgency of the circumstances.

Division 5—Basis of registration

75T Basis of registration

Registration under this Part is on the basis that:

- (a) the registration may cease as mentioned in section 75F; and
- (b) the registration may be suspended as mentioned in section 75H; and
- (c) the registration may be made subject to conditions as mentioned in section 75E; and
- (d) the registration may cease, be suspended or be made subject to conditions by or under later legislation; and
- (e) no compensation is payable if the registration ceases, is suspended or made subject to conditions as mentioned in any of the above paragraphs.

Part 6A—The Virtual Asset Service Provider Register

Division 1—Simplified outline

76 Simplified outline

The following is a simplified outline of this Part:

- This Part provides for a system of registration for providers of virtual asset services.
- Division 2 sets out offences and civil penalties in relation to the provision of registrable virtual asset services by persons who are not registered.
- Division 3 requires the AUSTRAC CEO to maintain the Virtual Asset Service Provider Register and sets out the process of applying for registration.

Division 2—Restrictions on providing virtual asset services

76A Unregistered persons must not provide certain virtual asset services

Registrable virtual asset services

- (1) A person (the **first person**) must not provide a registrable virtual asset service to another person if the first person is not a registered virtual asset service provider.

Breach of conditions

- (2) A person must not breach a condition to which the registration of the person as a virtual asset service provider is subject.

Offences

- (3) A person commits an offence if:
- (a) the person is subject to a requirement under subsection (1) or (2); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement.

Penalty: Imprisonment for 2 years or 500 penalty units, or both.

- (4) Strict liability applies to paragraphs (3)(b) and (c).

Note: For **strict liability**, see section 6.1 of the *Criminal Code*.

- (5) A person commits an offence if:
- (a) the person is subject to a requirement under subsection (1) or (2); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement; and
 - (d) the AUSTRAC CEO previously:
 - (i) gave the person a direction under subsection 191(2) in relation to subsection (1) or (2) of this section; or

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(ii) accepted an undertaking given by the person under section 197 in relation to subsection (1) or (2) of this section; and

(e) that was the only occasion on which the AUSTRAC CEO previously gave such a direction to, or accepted such an undertaking from, the person.

Penalty: Imprisonment for 4 years or 1,000 penalty units, or both.

(6) Strict liability applies to paragraphs (5)(b) and (c).

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

(7) A person commits an offence if:

(a) the person is subject to a requirement under subsection (1) or (2); and

(b) the person engages in conduct; and

(c) the person's conduct breaches the requirement; and

(d) the AUSTRAC CEO previously:

(i) gave the person a direction under subsection 191(2) in relation to subsection (1) or (2) of this section; or

(ii) accepted an undertaking given by the person under section 197 in relation to subsection (1) or (2) of this section; and

(e) that was not the only occasion on which the AUSTRAC CEO previously gave such a direction to, or accepted such an undertaking from, the person.

Penalty: Imprisonment for 7 years or 2,000 penalty units, or both.

(8) Strict liability applies to paragraphs (7)(b) and (c).

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

(9) A person commits an offence if:

(a) the person is subject to a requirement under subsection (1) or (2); and

(b) the person engages in conduct; and

(c) the person's conduct breaches the requirement; and

(d) either:

- (i) the person had previously been convicted of an offence against subsection (3), (5) or (7), and that conviction has not been set aside or quashed; or
- (ii) an order had previously been made against the person under section 19B of the *Crimes Act 1914* in respect of an offence against subsection (3), (5) or (7), and that order has not been set aside.

Penalty: Imprisonment for 7 years or 2,000 penalty units, or both.

(10) Strict liability applies to paragraphs (9)(b) and (c).

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

Civil penalty

(11) Subsections (1) and (2) are civil penalty provisions.

Division 3—Registration of persons

76B Virtual Asset Service Provider Register

- (1) The AUSTRAC CEO must maintain a register for the purposes of this Part, to be known as the Virtual Asset Service Provider Register.
- (2) The AUSTRAC CEO may maintain the Virtual Asset Service Provider Register by electronic means.
- (3) The Virtual Asset Service Provider Register is not a legislative instrument.
- (4) The AML/CTF Rules may make provision for and in relation to the following:
 - (a) the correction of entries in the Virtual Asset Service Provider Register;
 - (b) the publication of the Virtual Asset Service Provider Register in whole or part, or of specified information entered on the Virtual Asset Service Provider Register;
 - (c) any other matter relating to the administration or operation of the Virtual Asset Service Provider Register.

76C Information to be entered on the Virtual Asset Service Provider Register

If the AUSTRAC CEO decides to register a person under subsection 76E(2), the AUSTRAC CEO must enter the following details on the Virtual Asset Service Provider Register:

- (a) the name of the person;
- (b) any conditions to which the registration of the person is subject;
- (c) the date on which the registration takes effect;
- (d) the registrable details in relation to the person.

76D Applications for registration

- (1) A person may apply in writing to the AUSTRAC CEO for registration as a virtual asset service provider.
- (2) An application under subsection (1) must:
 - (a) be in the approved form; and
 - (b) contain the information required by the AML/CTF Rules.
- (3) Without limiting the information that the AML/CTF Rules may require under paragraph (2)(b), the AML/CTF Rules may require information relating to the matters mentioned in paragraph 76E(2)(a) or in Rules made under paragraph 76E(2)(b) (these provisions deal with matters to which the AUSTRAC CEO must have regard in deciding whether to register a person).

Deemed refusal in certain circumstances

- (4) If the AUSTRAC CEO has not made a decision on the application within the relevant period, the AUSTRAC CEO is taken to have decided not to register the person at the end of the relevant period. The **relevant period** is the period of 90 days beginning on the latest of the following days:
 - (a) the day the application is made;
 - (b) if the AUSTRAC CEO requests information under subsection 76Q(1) in relation to the application—the last day such information is provided;
 - (c) if the person makes a submission under section 76S in relation to the application—the day the person makes the submission.

Note: A deemed decision not to register the person is reviewable (see Part 17A).
- (5) However, if the AUSTRAC CEO determines in writing that:
 - (a) the application cannot be dealt with properly within the 90 day period, either because of its complexity or because of other special circumstances; and

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- (b) that period is extended by a specified period of not more than 30 days;

the relevant period is that period as so extended. The AUSTRAC CEO must notify the applicant in writing of the determination before the end of the 90 day period.

76E Registration by AUSTRAC CEO

When section applies

- (1) This section applies if an application has been made under section 76D for registration of a person.

When AUSTRAC CEO must register a person

- (2) The AUSTRAC CEO must decide to register the person in accordance with the application if the AUSTRAC CEO is satisfied that it is appropriate to do so, having regard to:
- (a) whether registering the person would involve a significant money laundering, financing of terrorism or other serious crime risk; and
 - (b) such other matters (if any) as are specified in the AML/CTF Rules under this paragraph.

Note: A decision not to register the person is reviewable (see Part 17A).

Matters that may be specified in the AML/CTF Rules

- (3) Without limiting the matters that the AML/CTF Rules may specify under paragraph (2)(b), the matters may relate to the following:
- (a) offences of which the applicant for registration, or any other person, has been charged or convicted under the law of the Commonwealth, a State or Territory or a foreign country;
 - (b) the compliance or non-compliance of the applicant, or any other person, with this Act or any other law;
 - (c) the legal and beneficial ownership and control of the applicant, or any other person.

Notice of decision to register

- (4) The AUSTRAC CEO must, as soon as practicable after deciding to register an applicant, give a written notice to the applicant.

Contents of notice of decision to register

- (5) A notice under subsection (4) must specify:
- (a) the conditions (if any) to which the registration is subject (see section 76G); and
 - (b) the date on which the registration takes effect.

76F Spent convictions scheme

The AML/CTF Rules made under paragraph 76D(2)(b) or 76E(2)(b) must not affect the operation of Part VIIC of the *Crimes Act 1914* (which includes provisions that, in certain circumstances, relieve persons from the requirement to disclose spent convictions and require persons aware of such convictions to disregard them).

76G Registration may be subject to conditions

- (1) The AUSTRAC CEO may, in writing, impose conditions to which the registration of a person under this Part is subject.

Note: A decision to impose a condition is reviewable (see Part 17A).

- (2) Without limiting the conditions that the AUSTRAC CEO may impose under subsection (1), the conditions may relate to the following:
- (a) the value of virtual assets or money exchanged;
 - (b) the volume of virtual assets exchanged (whether by reference to a particular period, a particular kind of virtual asset, or otherwise);
 - (c) the kinds of virtual assets exchanged;
 - (d) requiring notification of the exchange of particular kinds of virtual assets, changes in circumstances, or other specified events.

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Note: Section 76P imposes a general obligation in relation to notification of changes in circumstances.

76H When registration of a person ceases

- (1) The registration of a person ceases at the earliest of the following times:
 - (a) when the cancellation of the registration of the person under section 76J takes effect;
 - (b) when the entry relating to the registration of the person is removed from the Virtual Asset Service Provider Register under subsection 76M(2);
 - (c) subject to subsection (2)—3 years after the day on which the registration took effect;
 - (d) in the case of an individual—when the individual dies;
 - (e) in the case of a body corporate—when the body corporate ceases to exist.
- (2) Paragraph (1)(c) is subject to the AML/CTF Rules made under section 76L (which deals with renewal of registration).

76J Cancellation of registration

- (1) The AUSTRAC CEO may cancel the registration of a person if the AUSTRAC CEO is satisfied that it is appropriate to do so, having regard to:
 - (a) whether the continued registration of the person involves, or may involve, a significant money laundering, financing of terrorism or other serious crime risk; or
 - (b) one or more breaches by the person of a condition of registration; or
 - (c) such other matters (if any) as are specified in the AML/CTF Rules under this paragraph.
- (2) The AUSTRAC CEO may also cancel the registration of a person if the AUSTRAC CEO has reasonable grounds to believe that the registered person no longer carries on a business that involves providing a virtual asset service.

Note: A decision to cancel a registration is reviewable (see Part 17A).

- (3) The cancellation of the registration of a person takes effect on the day specified in the notice given to the person under subsection 233C(1).
- (4) The AUSTRAC CEO may publish, in the manner specified in the AML/CTF Rules, a list of the names of persons whose registration has been cancelled and the date the cancellation takes effect.

76K Suspension of registration

- (1) The AML/CTF Rules may make provision for and in relation to the suspension of registrations by the AUSTRAC CEO under this Part.
- (2) The AML/CTF Rules may provide for matters including, but not limited to, the following:
 - (a) the grounds for suspension of registration;
 - (b) the effect of suspension on registration;
 - (c) the period for which suspensions have effect;
 - (d) making entries in and removing entries from the Virtual Asset Service Provider Register in relation to suspension;
 - (e) notices of suspension;
 - (f) review of decisions relating to suspension.

76L Renewal of registration

- (1) The AML/CTF Rules may make provision for and in relation to the renewal of registrations by the AUSTRAC CEO under this Part.
- (2) The AML/CTF Rules may provide for matters including, but not limited to, the following:
 - (a) the making of applications for renewal;
 - (b) the period within which applications for renewal may be made;
 - (c) the criteria for determining applications for renewal;
 - (d) entries in the Virtual Asset Service Provider Register in relation to renewal;

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- (e) the giving of notices relating to decisions on applications for renewal;
 - (f) review of decisions relating to applications for renewal;
 - (g) the period for which renewed registrations have effect.
- (3) In particular, the AML/CTF Rules may provide that:
- (a) if the registration of a person would otherwise cease at the end of the period of 3 years commencing on the day on which the registration took effect; and
 - (b) before the end of that period, an application for renewal of the registration was made to the AUSTRAC CEO within the period, and in the manner provided for, in the AML/CTF Rules;
- the registration of the person continues in effect after the end of that period in accordance with the Rules.

76M Removal of entries from the Virtual Asset Service Provider Register

Removal on request

- (1) A person who is a registered virtual asset service provider may request the AUSTRAC CEO, in writing, to remove the entry relating to the registration of the person from the Virtual Asset Service Provider Register.
- (2) If a person makes a request under subsection (1), the AUSTRAC CEO must remove the entry from the Virtual Asset Service Provider Register.

Removal on cessation of registration

- (3) If the registration of a person ceases under another provision of this Part, the AUSTRAC CEO must remove the entry relating to the registration from the Virtual Asset Service Provider Register.

Notice of removal

- (4) The AUSTRAC CEO must, as soon as reasonably practicable, notify a person, in writing, if the AUSTRAC CEO has acted under subsection (3) in relation to the person (unless the person has died or, in the case of a body corporate, ceased to exist).

76N AML/CTF Rules—general provision

If a provision of this Part provides for the AML/CTF Rules to make provision in relation to a matter relating to the registration or proposed registration of a person, the AML/CTF Rules may make different provision in relation to a matter depending on different circumstances.

76P Registered persons to advise of material changes in circumstance etc.

- (1) A person who is registered under this Part must advise the AUSTRAC CEO of the following:
 - (a) any change in circumstances that could materially affect the person's registration;
 - (b) any matters specified in the AML/CTF Rules for the purposes of this paragraph.
- (2) A person who is required by this section to advise the AUSTRAC CEO of a change in circumstances or a matter must do so:
 - (a) in accordance with the approved form; and
 - (b) within 14 days of the change in circumstances or the matter arising (however described).

Civil penalty

- (3) Subsection (1) is a civil penalty provision.

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76Q AUSTRAC CEO may request further information

- (1) The AUSTRAC CEO may, in writing, request further information from any person for the purposes of making a decision under this Part.
- (2) The AUSTRAC CEO is not required to make a decision under this Part until any information requested under subsection (1) in relation to the decision has been provided.
- (3) If:
 - (a) a person is given a request under subsection (1) in relation to information; and
 - (b) the person reasonably believes that the information is privileged from being given on the ground of legal professional privilege;the person must give the AUSTRAC CEO an LPP form in relation to the information within the period specified in the request.
- (4) Subsection (3) is a civil penalty provision.

Note 1: For other provisions dealing with legal professional privilege, see sections 242 and 242A.

76R Immunity from suit

An action, suit or proceeding (whether criminal or civil) does not lie against:

- (a) the Commonwealth; or
 - (b) the AUSTRAC CEO; or
 - (c) a member of the staff of AUSTRAC;
- in relation to the publication of the Virtual Asset Service Provider Register or a list of a kind mentioned in subsection 76J(4).

76S Steps to be taken by AUSTRAC CEO before making certain reviewable decisions

- (1) Before making a reviewable decision under section 76E, 76G or 76J in relation to a person, the AUSTRAC CEO must give a written notice to the person containing:
 - (a) the terms of the proposed decision; and
 - (b) if the proposed decision is to cancel a registration—the date on which the cancellation is proposed to take effect; and
 - (c) the reasons for the proposed decision; and
 - (d) a statement that the person may, within 28 days of the giving of the notice, make a submission under this section in relation to the proposed decision.
- (2) The AUSTRAC CEO is not required to give a notice under this section if the AUSTRAC CEO is satisfied that it is inappropriate to do so because of the urgency of the circumstances.

Division 4—Basis of registration

76T Basis of registration

Registration under this Part is on the basis that:

- (a) the registration may cease as mentioned in section 76H; and
- (b) the registration may be suspended as mentioned in section 76K; and
- (c) the registration may be made subject to conditions as mentioned in section 76G; and
- (d) the registration may cease, be suspended or be made subject to conditions by or under later legislation; and
- (e) no compensation is payable if the registration ceases, is suspended or made subject to conditions as mentioned in any of the above paragraphs.

Part 8—Correspondent banking

94 Simplified outline of this Part

- A financial institution must not enter into a correspondent banking relationship with:
 - (a) a shell bank; or
 - (b) another financial institution that has a correspondent banking relationship with a shell bank; or
 - (c) another financial institution that permits its accounts to be used by a shell bank.

- A financial institution must carry out due diligence assessments before it enters into, and while it is in, a correspondent banking relationship with another financial institution involving a vostro account.

94A Shell banks

- (1) A *shell bank* is a corporation that:
 - (a) is incorporated in a foreign country; and
 - (b) is authorised to carry on banking business in its country of incorporation; and
 - (c) does not have a physical presence in its country of incorporation; and
 - (d) is not an affiliate of another corporation that:
 - (i) is incorporated in a particular country; and
 - (ii) is authorised to carry on banking business in its country of incorporation; and
 - (iii) has a physical presence in its country of incorporation.

When a corporation has a physical presence in a country

- (2) For the purposes of determining what is a shell bank, a corporation has a *physical presence* in a country if, and only if:

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- (a) the corporation carries on banking business at a place in that country; and
- (b) at least one full-time employee of the corporation performs banking-related duties at that place.

When a corporation is affiliated with another corporation

- (3) For the purposes of determining what is a shell bank, a corporation is **affiliated** with another corporation if, and only if:
 - (a) the corporation is a subsidiary of the other corporation; or
 - (b) at least one individual controls both corporations; or
 - (c) under the regulations, both corporations are taken to be under common control.

95 Prohibitions on correspondent banking relationships involving shell banks

Entry

- (1) A financial institution must not enter into a correspondent banking relationship with another person if:
 - (a) the other person is a shell bank; or
 - (b) the other person is a financial institution that has a correspondent banking relationship with a shell bank; or
 - (c) the other person is a financial institution that permits its accounts to be used by a shell bank.

Note: For geographical links, see section 100.

Termination

- (2) If a financial institution (the **first institution**) is in a correspondent banking relationship with another person and the first institution becomes aware that:
 - (a) the other person is a shell bank; or
 - (b) the other person is a financial institution that has a correspondent banking relationship with a shell bank; or

- (c) the other person is a financial institution that permits its accounts to be used by a shell bank;
the first institution must, within 20 days after becoming so aware or such longer period (if any) as the AUSTRAC CEO allows, do one of the following:
 - (d) terminate the correspondent banking relationship;
 - (e) if paragraph (b) applies—request the other financial institution to terminate the correspondent banking relationship mentioned in that paragraph.

Note: For geographical links, see section 100.

- (3) If:
 - (a) the first institution makes a request under paragraph (2)(e) of another financial institution; and
 - (b) at the end of the period (the **first period**) of 20 business days after the request was made, the other financial institution has not complied with the request;

the first institution must terminate its correspondent banking relationship with the other financial institution within 20 days after the end of the first period or such longer period (if any) as the AUSTRAC CEO allows.

Note: For geographical links, see section 100.

Civil penalty

- (4) Subsections (1), (2) and (3) are civil penalty provisions.

96 Due diligence assessments and records of correspondent banking relationships

Entry

- (1) A financial institution (the **first institution**) must not enter into a correspondent banking relationship with another financial institution that will involve a vostro account unless:

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- (a) the first institution carries out a due diligence assessment in accordance with the AML/CTF Rules and prepares a written record of the assessment; and
- (b) a senior officer of the first institution approves the entering into of that relationship, having regard to such matters (if any) as are specified in the AML/CTF Rules.

Note: For geographical links, see section 100.

- (2) If a financial institution (the *first institution*) enters into a correspondent banking relationship with another financial institution that involves a vostro account, the first institution must, within 20 business days after the day of entering into the relationship, prepare a written record that sets out:
 - (a) its responsibilities under that relationship; and
 - (b) the responsibilities of the other financial institution under that relationship.

Ongoing assessments

- (3) If a financial institution (the *first institution*) is in a correspondent banking relationship with another financial institution that involves a vostro account, the first institution must:
 - (a) carry out due diligence assessments in accordance with the AML/CTF Rules; and
 - (b) carry out those assessments at the times worked out in accordance with the AML/CTF Rules; and
 - (c) in relation to each assessment, prepare a written record of the assessment within 10 business days after the day of completing the assessment; and
 - (d) in relation to each assessment, ensure that, within 20 business days after the preparation of the written record, a senior officer of the first institution reviews the written record and makes a decision about whether the first institution should remain in a correspondent banking relationship with the other financial institution.

Note: For geographical links, see section 100.

Civil penalty

- (4) Subsections (1), (2) and (3) are civil penalty provisions.

100 Geographical links

A financial institution is not subject to a requirement under this Part in connection with a correspondent banking relationship the financial institution has, or proposes to have, with another person unless:

- (a) the financial institution carries on an activity or business at or through a permanent establishment of the financial institution in Australia; or
- (b) both:
 - (i) the financial institution is a resident of Australia; and
 - (ii) the financial institution carries on an activity or business at or through a permanent establishment of the financial institution in a foreign country; or
- (c) both:
 - (i) the financial institution is a subsidiary of a company that is a resident of Australia; and
 - (ii) the financial institution carries on an activity or business at or through a permanent establishment of the financial institution in a foreign country.

Note: For *resident*, see section 14.

Part 9—Countermeasures

101 Simplified outline

The following is a simplified outline of this Part:

- The regulations may prohibit or regulate the entering into of transactions with residents of prescribed foreign countries.

102 Countermeasures

- (1) The regulations may make provision for or in relation to prohibiting or regulating the entering into of transactions, where:
 - (a) both:
 - (i) one of the parties to the transaction is a resident of Australia; and
 - (ii) the other party, or any of the other parties, is a resident of a prescribed foreign country; or
 - (b) both:
 - (i) one of the parties to the transaction enters into the transaction in the course of carrying on an activity or business at or through a permanent establishment of the party in Australia; and
 - (ii) the other party, or any of the other parties, is a resident of a prescribed foreign country; or
 - (c) both:
 - (i) one of the parties to the transaction is a resident of Australia; and
 - (ii) the other party, or any of the other parties, is a corporation incorporated in a prescribed foreign country; or
 - (d) both:
 - (i) one of the parties to the transaction enters into the transaction in the course of carrying on an activity or

- business at or through a permanent establishment of the party in Australia; and
- (ii) the other party, or any of the other parties, is a corporation incorporated in a prescribed foreign country; or
- (e) both:
- (i) one of the parties to the transaction is a resident of Australia; and
 - (ii) the other party, or any of the other parties, is an individual who is physically present in a prescribed foreign country; or
- (f) both:
- (i) one of the parties to the transaction enters into the transaction in the course of carrying on an activity or business at or through a permanent establishment of the party in Australia; and
 - (ii) the other party, or any of the other parties, is an individual who is physically present in a prescribed foreign country.

Note: For *resident*, see section 14.

- (2) Regulations made for the purposes of subsection (1):
- (a) may be of general application; or
 - (b) may be limited by reference to any or all of the following:
 - (i) a specified transaction;
 - (ii) a specified party;
 - (iii) a specified prescribed foreign country.

Note 1: For specification by class, see subsection 13(3) of the *Legislation Act 2003*.

Note 2: For consultation requirements, see section 17 of the *Legislation Act 2003*.

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103 Sunsetting of regulations after 2 years

Section 50 of the *Legislation Act 2003* has effect, in relation to regulations made for the purposes of subsection 102(1), as if each reference in that section to tenth anniversary were read as a reference to second anniversary.

FUTURE LAW COMPILATION

Part 10—Record-keeping requirements

Division 1—Introduction

104 Simplified outline

The following is a simplified outline of this Part:

- The AML/CTF Rules may provide that a reporting entity must make a record of a designated service. The reporting entity must retain the record for 7 years.
- If a customer of a reporting entity gives the reporting entity a document relating to the provision of a designated service, the reporting entity must retain the document for 7 years.
- A reporting entity must retain records relating to:
 - (a) customer due diligence; and
 - (b) assessments it carries out of agreements or arrangements it has entered into relating to its reliance on the collection and verification of KYC information about a customer, or other procedures, carried out by another person.
- A reporting entity must retain records relating to its AML/CTF program.

105 Privacy Act not overridden by this Part

This Part does not override Part IIIA of the *Privacy Act 1988*.

Division 2—Records of transactions etc.

107 Transaction records to be retained

Retention of records

- (1) If a reporting entity commences to provide, or provides, a designated service to a customer, the reporting entity must retain sufficient records to allow the reconstruction of individual transactions relating to the provision of the designated service to the customer.
- (2) A record under subsection (1) must comply with any requirements specified by the AML/CTF Rules.

Period for which records must be retained

- (3) A person who is or was a reporting entity must retain a record referred to in subsection (1) for a period of 7 years beginning on the day the record is made.

Civil penalty

- (4) Subsections (1) and (3) are civil penalty provisions.

AML/CTF Rules

- (5) The AML/CTF Rules may specify kinds of records to which this section does not apply.

108 Customer-provided transaction documents to be retained

Scope

- (1) This section applies if:
 - (a) a document relating to the provision, or prospective provision, of a designated service by a reporting entity is given to the reporting entity by or on behalf of the customer concerned; and

- (b) the reporting entity commences, or has commenced, to provide the service to the customer.
- (2) The reporting entity must retain:
 - (a) the document; or
 - (b) a copy of the document;for 7 years after the giving of the document.

Civil penalty

- (3) Subsection (2) is a civil penalty provision.

109 Records relating to transferred ADI accounts

Scope

- (1) This section applies if:
 - (a) a document is in the possession of an ADI (the *transferor ADI*) in fulfilment of an obligation imposed on it by section 107 or 108; and
 - (b) the document relates to an active account that has been, or is proposed to be, transferred to another ADI (the *transferee ADI*) under:
 - (i) a law of the Commonwealth or of a State or Territory; or
 - (ii) an arrangement between the transferor ADI and the transferee ADI.

Transferor ADI must give document to the transferee ADI

- (2) The transferor ADI must give the document to the transferee ADI within the 120-day period beginning 30 days before the transfer of the account.

Transferor ADI released from retention obligations

- (3) Sections 107 and 108 do not apply to the transferor ADI, in relation to the document, if the transferor ADI gave the original or

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a copy of the document to the transferee ADI within the 120-day period beginning 30 days before the transfer of the account.

Note: A defendant bears an evidential burden in relation to the matter in subsection (3) (see subsection 13.3(3) of the *Criminal Code*).

Retention obligations of transferee ADI

- (4) If the transferee ADI is given the document within the 120-day period beginning 30 days before the transfer of the account, the transferee ADI must retain:
- (a) the document; or
 - (b) a copy of the document;
- for 7 years after the giving of the document.

Civil penalty

- (5) Subsections (2) and (4) are civil penalty provisions.

110 Retention of records relating to closed ADI accounts

Transferor ADI may give documents to transferee ADI

- (1) An ADI (the *transferor ADI*) may give the original and copies of a document (the *second document*) relating to an account to another ADI (the *transferee ADI*) if:
- (a) the transferor ADI has given another document (the *first document*) relating to the same account to the transferee ADI in accordance with section 109; and
 - (b) the second document is in the transferor ADI's possession in fulfilment of an obligation imposed on it by section 107 or 108; and
 - (c) the second document relates to a closed account; and
 - (d) the transferor ADI and the transferee ADI agree in writing that the second document should be given by the transferor ADI to the transferee ADI within the 120-day period allowed by section 109 for the giving of the first document.

Transferor ADI released from retention obligations

- (2) Sections 107 and 108 do not apply to the transferor ADI, in relation to the second document, if the transferor ADI gave the original or a copy of the second document to the transferee ADI within the 120-day period allowed by section 109 for the giving of the first document.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

Retention obligations of transferee ADI

- (3) If the transferee ADI is given the original or a copy of the second document within the 120-day period allowed by section 109 for the giving of the first document, the transferee ADI must retain:
- (a) the second document; or
 - (b) a copy of the second document;
- for 7 years after the giving of the second document.

Civil penalty

- (4) Subsection (3) is a civil penalty provision.

Division 3—Records in connection with customer due diligence and other procedures

111 Retention of records of customer due diligence

- (1) This section applies to a reporting entity if the reporting entity complies with section 28 (undertaking initial customer due diligence) or 30 (undertaking ongoing customer due diligence) in relation to a customer to whom the reporting entity provides a designated service, or proposed or proposes to provide a designated service.
- (2) The reporting entity must retain, until the end of the 7 year period that begins when the business relationship ends or the reporting entity completes the provision of the occasional transaction, records that:
 - (a) are reasonably necessary to demonstrate compliance with the reporting entity's obligations under Part 2; and
 - (b) are in the English language, or in a form in which the records are readily accessible and readily convertible into writing in the English language.
- (3) Without limiting paragraph (2)(a), the records must include:
 - (a) sufficient and accurate records which demonstrate the type and content of the data collected by the reporting entity in relation to the customer for the purposes of complying with section 28 or 30; and
 - (b) records of any analysis, identification or assessment of ML/TF risk, or decision making, undertaken by the reporting entity in relation to the customer for the purposes of complying with section 28 or 30.
- (4) Subsection (2) is a civil penalty provision.

114 Retention of information if initial customer due diligence taken to have been carried out by a reporting entity

- (1) If:
-

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- (a) a person (the *first person*) carries out a procedure (the *initial procedure*) mentioned in paragraph 37A(1)(a) or 38(b); and
 - (b) under section 37A or 38 and in connection with the initial procedure, Part 2 has effect as if a reporting entity had complied with paragraph 28(3)(c) or (d) in respect of a customer; and
 - (c) the first person makes a record of the initial procedure and gives a copy of the record to the reporting entity;
- the reporting entity must retain the copy until the end of the first 7-year period:
- (d) that began at a time after Part 2 had that effect; and
 - (e) throughout the whole of which the reporting entity did not provide any designated services to the customer.

Civil penalty

- (2) Subsection (1) is a civil penalty provision.

114A Retention of records of assessments of agreements or arrangements covered by section 37A

- (1) If a reporting entity prepares a record under paragraph 37B(1)(c), the reporting entity must retain the record, or a copy of the record, for 7 years after the completion of the preparation of the record.

Civil penalty

- (2) Subsection (1) is a civil penalty provision.

114B Retention of records made or obtained under the repealed *Financial Transaction Reports Act 1988*

- (1) This section applies to a reporting entity if, immediately before this section commences, the reporting entity is retaining a record or a copy of a record, for the purposes of Part III of the *Financial Transaction Reports Act 1988*, in relation to a customer to whom the reporting entity has provided, or is providing, a designated service.

Part 10 Record-keeping requirements

Division 3 Records in connection with

Section 114B

- (2) The reporting entity must continue to retain the record, or a copy of the record, until the end of the first 7-year period throughout the whole of which the reporting entity did not provide any designated services to the customer.

Civil penalty

- (3) Subsection (2) is a civil penalty provision.

FUTURE LAW COMPILATION

Division 5—AML/CTF program record-keeping requirements

116 Retention of records relating to Part 1A

- (1) A reporting entity must keep records that:
 - (a) are reasonably necessary to demonstrate compliance with the reporting entity's obligations under Part 1A; and
 - (b) are in the English language, or in a form in which the records are readily accessible and readily convertible into writing in the English language.
- (2) Subsection (1) is a civil penalty provision.
- (3) A person who is or was a reporting entity must retain the records referred to in subsection (1) throughout the period:
 - (a) beginning at the time the record was made; and
 - (b) ending 7 years after the record is no longer relevant to the reporting entity's compliance with its obligations under Part 1A.
- (4) Subsection (3) is a civil penalty provision.

Division 6—Records about correspondent banking relationships

117 Retention of records about correspondent banking relationships

Scope

- (1) This section applies to a financial institution if the financial institution prepared a record under section 96.

Retention

- (2) The financial institution must retain the record, or a copy of the record, for 7 years after the completion of the preparation of the record.

Civil penalty

- (3) Subsection (2) is a civil penalty provision.

FUTURE LAW COMPILATION

Division 7—General provisions

118 Exemptions

- (1) This Part (other than sections 109, 110, 116 and 117) does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (2) The AML/CTF Rules may provide that a specified provision of this Part (other than sections 109, 110, 116 and 117) does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (3) This Part (other than sections 109, 110, 116 and 117) does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (4) The AML/CTF Rules may provide that a specified provision of this Part (other than sections 109, 110, 116 and 117) does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (5) This Part (other than sections 109, 110, 116 and 117) does not apply to a designated service that is provided by a reporting entity at or through a permanent establishment of the reporting entity in a foreign country.

119 This Part does not limit any other obligations

This Part does not limit any other obligation of a person to make records or retain documents.

Part 11—Secrecy and access

Division 1—Introduction

120 Simplified outline of this Part

- Except as permitted by this Act, an AUSTRAC entrusted person must not access, make a record of, authorise access to, disclose or otherwise use AUSTRAC information.
- A reporting entity must not disclose:
 - (a) that the reporting entity has given, or is required to give, a report under subsection 41(2); or
 - (b) any information from which it could reasonably be inferred that the reporting entity has given, or is required to give, that report.
- Certain persons must not disclose information relating to the giving or production of certain reports, information or other documents.
- The AUSTRAC CEO may authorise officials of Commonwealth, State or Territory agencies to access AUSTRAC information for the purposes of performing the agency's functions and duties and exercising the agency's powers.
- In certain circumstances, AUSTRAC information may be disclosed to governments of foreign countries or to foreign agencies.
- There are restrictions on persons using or disclosing AUSTRAC information where the information was disclosed to the persons in contravention of this Part.

Division 2—AUSTRAC entrusted persons

121 Offence—AUSTRAC entrusted persons

- (1) A person commits an offence if:
- (a) the person is, or has been, an AUSTRAC entrusted person;
and
 - (b) the person accesses, makes a record of, authorises access to, discloses or otherwise uses information; and
 - (c) the information is AUSTRAC information.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

Exceptions

- (2) Subsection (1) does not apply if the access, making of the record, authorisation of the access, disclosure or use:
- (a) is for the purposes of this Act or the repealed *Financial Transaction Reports Act 1988*; or
 - (b) is for the purposes of the performance of the functions of the AUSTRAC CEO; or
 - (c) is for the purposes of, or in connection with, the performance or exercise of the person's functions, duties or powers in relation to AUSTRAC; or
 - (d) is in accordance with a provision of this Part; or
 - (e) is for the purposes of the *National Anti-Corruption Commission Act 2022*.

Note: A defendant bears an evidential burden in relation to a matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

- (3) Subsection (1) does not apply if the disclosure is:
- (a) to an official of a Commonwealth, State or Territory agency for the purposes of, or in connection with, the performance or exercise of the official's functions, duties or powers in relation to the agency; or

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- (b) to a Minister of the Commonwealth or of a State or Territory for the purposes of, or in connection with, the performance of that Minister's responsibilities.

Note: A defendant bears an evidential burden in relation to a matter in subsection (3) (see subsection 13.3(3) of the *Criminal Code*).

Conditions

- (4) If:
- (a) a person who is an AUSTRAC entrusted person discloses AUSTRAC information to another person under this section; and
 - (b) the other person is none of the following:
 - (i) an AUSTRAC entrusted person;
 - (ii) an official of a Commonwealth, State or Territory agency;
 - (iii) a Minister of the Commonwealth or of a State or Territory;

the AUSTRAC CEO may, in writing and at the time of the disclosure, impose conditions to be complied with in relation to the making of a record, disclosure or use of the information by the other person.

Secondary dealings

- (5) A person commits an offence if:
- (a) the person is none of the following:
 - (i) an AUSTRAC entrusted person;
 - (ii) an official of a Commonwealth, State or Territory agency;
 - (iii) a Minister of the Commonwealth or of a State or Territory; and
 - (b) AUSTRAC information is disclosed to the person under subsection (2); and
 - (c) the person is not subject to conditions under subsection (4) in relation to the information; and
 - (d) the person discloses the information to another person.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

- (6) A person commits an offence if:
- (a) the person is none of the following:
 - (i) an AUSTRAC entrusted person;
 - (ii) an official of a Commonwealth, State or Territory agency;
 - (iii) a Minister of the Commonwealth or of a State or Territory; and
 - (b) AUSTRAC information is disclosed to the person under subsection (2); and
 - (c) the person is subject to conditions under subsection (4) in relation to the information; and
 - (d) the person makes a record of, discloses or otherwise uses the information; and
 - (e) the making of the record, disclosure or use referred to in paragraph (d) breaches any of those conditions.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

Instrument not a legislative instrument

- (7) An instrument under subsection (4) is not a legislative instrument.

Division 3—Protection of information given under Part 3

123 Offence of tipping off

Offence

- (1) A person commits an offence if:
- (a) the person is or has been:
 - (i) a reporting entity; or
 - (ii) an officer, employee or agent of a reporting entity; or
 - (iii) required by a notice under subsection 49(1) to give information or produce documents; or
 - (iv) required by notice under subsection 49B(2) to give information or produce documents; and
 - (b) the person discloses information to another person (other than an AUSTRAC entrusted person); and
 - (c) the information is covered by subsection (2); and
 - (d) the disclosure of the information would or could reasonably be expected to prejudice an investigation:
 - (i) of an offence against a law of the Commonwealth or of a State or Territory; or
 - (ii) for the purposes of the *Proceeds of Crime Act 2002* or regulations under that Act; or
 - (iii) for the purposes of a law of a State or Territory that corresponds to the *Proceeds of Crime Act 2002* or regulations under that Act.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

- (2) Information is covered by this subsection if it is any of the following:
- (a) that a reporting entity has given, or is required to give, a report under subsection 41(2);
 - (b) a report given under, or prepared for the purposes of, subsection 41(2);
 - (c) a copy of such a report;

- (d) a document purporting to set out information (including the formation or existence of a suspicion) contained in such a report;
 - (e) a person is or has been required by a notice under subsection 49(1) to give information or produce a document;
 - (f) a person has given information or produced a document in response to a notice under subsection 49(1);
 - (g) a person is or has been required by a notice under subsection 49B(2) to give information or produce a document;
 - (h) a person has given information or produced a document in response to a notice under subsection 49B(2);
 - (i) information referred to in paragraph 16(5A)(a), (b) or (c) or (5AA)(a) or (b) of the *Financial Transaction Reports Act 1988*, as in force immediately before its repeal.
- (2A) If a person (the **first person**) is required by a notice under subsection 49B(2) to give information or produce a document, the first person must not disclose to another person (except an AUSTRAC entrusted person):
- (a) that the first person is or has been required by a notice under subsection 49B(2) to give information or produce a document; or
 - (b) that the information has been given or the document has been produced.
- (3) For the purposes of paragraph (1)(d), it is immaterial whether an investigation has commenced.

Exception—crime prevention

- (4) Subsection (1) does not apply to the disclosure of information covered by paragraphs (2)(a), (b), (c) or (d) by a person if:
- (a) the person is a reporting entity, or an officer, employee or agent of a reporting entity, that is:
 - (i) a legal practitioner (however described); or

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- (ii) a partnership or company that carries on a business of using legal practitioners (however described) to supply professional legal services; or
 - (iii) a qualified accountant; or
 - (iv) a partnership or company that carries on a business of using qualified accountants to supply professional accountancy services; or
 - (v) a person specified in the AML/CTF Rules; and
- (b) the information relates to the affairs of a customer of the reporting entity; and
 - (c) the person makes the disclosure, in good faith, for the purposes of dissuading the customer from engaging in conduct that constitutes, or could constitute, an offence against a law of the Commonwealth or of a State or Territory.

Note: A defendant bears an evidential burden in relation to the matter in subsection (4) (see subsection 13.3(3) of the *Criminal Code*).

Exception—information sharing to detect, deter or disrupt money laundering, the financing of terrorism, proliferation financing, or other serious crimes

- (5) Subsection (1) does not apply if:
 - (a) the disclosure is made to another reporting entity; and
 - (b) the disclosure is made for the purpose of detecting, deterring, or disrupting money laundering, the financing of terrorism, proliferation financing, or other serious crimes; and
 - (c) the conditions prescribed by the regulations are met.

Note: A defendant bears an evidential burden in relation to the matter in subsection (5) (see subsection 13.3(3) of the *Criminal Code*).

Courts and Tribunals

- (6) Except where it is necessary to do so for the purposes of giving effect to this Act, a person is not to be required to disclose to a court or tribunal information mentioned in subsection (2).

124 Report and information not admissible

- (1) In any court or tribunal proceedings:
- (a) none of the following is admissible in evidence:
 - (i) a report given under, or prepared for the purposes of, subsection 41(2) of this Act or subsection 16(1) or (1A) of the repealed *Financial Transaction Reports Act 1988*;
 - (ii) a copy of such a report;
 - (iii) a document purporting to set out information (including the formation or existence of a suspicion) contained in such a report;
 - (iv) a document given or produced under subsection 49(1), in so far as that subsection relates to a communication under section 41 of this Act or subsection 16(1) or (1A) of the repealed *Financial Transaction Reports Act 1988*;
 - (v) information given under subsection 16(4) of the repealed *Financial Transaction Reports Act 1988*; and
 - (b) evidence is not admissible as to:
 - (i) whether or not a report was prepared for the purposes of subsection 41(2) of this Act or subsection 16(1) or (1A) of the repealed *Financial Transaction Reports Act 1988*; or
 - (ii) whether or not a report prepared for the purposes of subsection 41(2) of this Act or subsection 16(1) or (1A) of the repealed *Financial Transaction Reports Act 1988*, or a document purporting to set out information (including the formation or existence of a suspicion) contained in such a report, was given to, or received by, the AUSTRAC CEO; or
 - (iii) whether or not particular information (including the formation or existence of a suspicion) was contained in a report prepared for the purposes of subsection 41(2) of this Act or subsection 16(1) or (1A) of the repealed *Financial Transaction Reports Act 1988*; or
 - (iv) whether or not particular information (including the formation or existence of a suspicion) was given under

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subsection 49(1), in so far as that subsection relates to a communication under section 41 of this Act or subsection 16(1) or (1A) of the repealed *Financial Transaction Reports Act 1988*; or

- (v) whether or not a particular document was produced under subsection 49(1), in so far as that subsection relates to a communication under section 41 of this Act or subsection 16(1) or (1A) of the repealed *Financial Transaction Reports Act 1988*.

(2) Subsection (1) does not apply to the following proceedings:

- (a) criminal proceedings for an offence against section 26R, 121, 123, 126, 128, 129, 136, 137, 161 or 162 of this Act;
- (b) criminal proceedings for an offence against section 29 or 30 of the repealed *Financial Transaction Reports Act 1988*;
- (c) proceedings under section 175 of this Act.

Division 4—Access to AUSTRAC information by Commonwealth, State or Territory agencies

125 Access to AUSTRAC information

- (1) The AUSTRAC CEO may, in writing, authorise specified officials of a specified Commonwealth, State or Territory agency to access specified AUSTRAC information for the purposes of performing the agency's functions and duties and exercising the agency's powers.

Note 1: For specification by class, see subsection 33(3AB) of the *Acts Interpretation Act 1901*.

Note 2: For variation and revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.

- (2) However, the AUSTRAC CEO may give an authorisation under subsection (1) in relation to an agency, authority, body or organisation of a State or Territory only if its head (however described) has given a written undertaking to the AUSTRAC CEO that it and its officials will comply with the Australian Privacy Principles in respect of AUSTRAC information obtained under subsection 121(2) or (3), this section or subsection 126(2).

Authorisation not a legislative instrument

- (3) An authorisation under subsection (1) is not a legislative instrument.

126 Dealings with AUSTRAC information

- (1) A person commits an offence if:
- (a) the person is, or has been, an official of a Commonwealth, State or Territory agency; and
 - (b) the person has obtained AUSTRAC information under subsection 121(2) or (3), section 125 or subsection (2) of this section; and

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- (c) the person makes a record of, discloses or otherwise uses the information.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

Exception—functions, duties or powers of officials etc.

- (2) Subsection (1) does not apply if:
- (a) both of the following apply:
 - (i) the making of the record, disclosure or use is for the purposes of, or in connection with, the performance or exercise of the person's functions, duties or powers as an official of a Commonwealth, State or Territory agency;
 - (ii) the disclosure is not to the government of a foreign country or to a foreign agency; or
 - (b) the disclosure is to another official of a Commonwealth, State or Territory agency for the purposes of, or in connection with, the performance or exercise of the other official's functions, duties or powers in relation to the agency; or
 - (c) the disclosure is to a Minister of the Commonwealth or of a State or Territory for the purposes of, or in connection with, the performance of that Minister's responsibilities; or
 - (d) the disclosure is in accordance with section 127.

Note: A defendant bears an evidential burden in relation to a matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

Exception—court or tribunal proceedings etc.

- (3) Subject to subsection (3A), subsection (1) does not apply if the disclosure is to a person for the purposes of or in connection with:
- (a) court or tribunal proceedings; or
 - (b) proposed or possible court or tribunal proceedings; or
 - (c) obtaining legal advice.

Note: A defendant bears an evidential burden in relation to the matter in subsection (3) (see subsection 13.3(3) of the *Criminal Code*).

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- (3A) Subsection (3) does not apply if the AUSTRAC information:
- (a) was obtained under section 41 (reports of suspicious matters); or
 - (b) was obtained under section 49 (further information to be given to the AUSTRAC CEO etc.), in so far as that section relates to a communication under section 41; or
 - (c) was obtained under section 16 of the repealed *Financial Transaction Reports Act 1988* (reports of suspect transactions).

Secondary disclosure

- (4) A person commits an offence if:
- (a) AUSTRAC information is disclosed to the person under subsection (3); and
 - (b) the person discloses the information to another person.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

- (5) Subsection (4) does not apply if:
- (a) the disclosure is for the purposes of or in connection with:
 - (i) the court or tribunal proceedings; or
 - (ii) the proposed or possible court or tribunal proceedings;
or
 - (iii) obtaining or giving the legal advice; or
 - (b) the disclosure is permitted by this Division.

Note: A defendant bears an evidential burden in relation to the matter in subsection (5) (see subsection 13.3(3) of the *Criminal Code*).

Division 5—Disclosure of AUSTRAC information to foreign countries or agencies

127 Disclosure of AUSTRAC information to foreign countries or agencies

AUSTRAC CEO

- (1) The AUSTRAC CEO may disclose AUSTRAC information to the government of a foreign country, or to a foreign agency, if the AUSTRAC CEO is satisfied that:
 - (a) where the AUSTRAC CEO considers it appropriate, the government of the foreign country, or the foreign agency, has given an undertaking for:
 - (i) protecting the confidentiality of the information; and
 - (ii) controlling the use that will be made of the information; and
 - (iii) ensuring that the information will be used only for the purpose for which it is disclosed to the government of the foreign country or to the foreign agency; and
 - (b) it is appropriate, in all the circumstances of the case, to do so.

Commonwealth, State or Territory agencies

- (2) A person who is:
 - (a) the head (however described) of a Commonwealth, State or Territory agency prescribed by the AML/CTF Rules; or
 - (b) covered by an authorisation under subsection (4);may disclose AUSTRAC information to the government of a foreign country, or to a foreign agency, if the person is satisfied that:
 - (c) the government of the foreign country, or the foreign agency, has given an undertaking for:
 - (i) protecting the confidentiality of the information; and
 - (ii) controlling the use that will be made of the information; and

- (iii) ensuring that the information will be used only for the purpose for which it is disclosed to the government of the foreign country or to the foreign agency; and
- (d) it is appropriate, in all the circumstances of the case, to do so.

Authorisations

- (4) For the purposes of paragraph (2)(b), the head (however described) of a Commonwealth, State or Territory agency prescribed by the AML/CTF Rules for the purposes of paragraph 127(2)(a) may, in writing, authorise an official of the Commonwealth, State or Territory agency.

Note: For variation and revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.

- (5) An authorisation under subsection (4) is not a legislative instrument.

Division 6—Unauthorised accessing of or use or disclosure of AUSTRAC information

128 Unauthorised accessing of AUSTRAC information

A person commits an offence if:

- (a) the person accesses information; and
- (b) the information is AUSTRAC information; and
- (c) the access is not permitted by this Part.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

129 Use or disclosure of AUSTRAC information disclosed in contravention of this Part

(1) A person commits an offence if:

- (a) information is disclosed to the person; and
- (b) the information is AUSTRAC information; and
- (c) the disclosure to the person is in contravention of this Part; and
- (d) the person makes a record of, discloses or otherwise uses the information.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

Exception

(2) Subsection (1) does not apply if the person discloses the information for the purposes of an appropriate authority investigating the disclosure mentioned in paragraph (1)(c).

Note: A defendant bears an evidential burden in relation to a matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

Division 7—Use of AUSTRAC information in court or tribunal proceedings

134 Use of AUSTRAC information in court or tribunal proceedings

Except where it is necessary to do so for the purposes of giving effect to this Act or the repealed *Financial Transaction Reports Act 1988*, a person is not to be required:

- (a) to produce a document containing AUSTRAC information to a court or tribunal; or
- (b) to disclose AUSTRAC information to a court or tribunal.

Part 12—Offences

135 Simplified outline

The following is a simplified outline of this Part:

- It is an offence to:
 - (a) produce false or misleading information; or
 - (b) produce a false or misleading document; or
 - (c) forge a document for use in customer due diligence under Part 2; or
 - (d) provide or receive a designated service using a false customer name or customer anonymity; or
 - (e) structure a transaction to avoid a reporting obligation under this Act.

136 False or misleading information

- (1) A person commits an offence if:
 - (a) the person gives information to:
 - (i) the AUSTRAC CEO; or
 - (ii) an authorised officer; or
 - (iii) a customs officer; or
 - (iv) a police officer; or
 - (v) a reporting entity; or
 - (vi) a person acting on a reporting entity's behalf; and
 - (b) the person does so knowing that the information:
 - (i) is false or misleading; or
 - (ii) omits any matter or thing without which the information is misleading; and

- (c) the information is given, or purportedly given, under:
 - (i) this Act; or
 - (ii) a provision of the regulations or of the AML/CTF Rules, if the regulations or Rules (as applicable) state that this section applies to that provision.

Penalty: Imprisonment for 10 years or 10,000 penalty units, or both.

- (2) Subsection (1) does not apply as a result of subparagraph (1)(b)(i) if the information is not false or misleading in a material particular.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

- (3) Subsection (1) does not apply as a result of subparagraph (1)(b)(ii) if the information did not omit any matter or thing without which the information is misleading in a material particular.

Note: A defendant bears an evidential burden in relation to the matter in subsection (3) (see subsection 13.3(3) of the *Criminal Code*).

- (4) Strict liability applies to the paragraph (1)(c) element of the offence.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

137 Producing false or misleading documents

- (1) A person commits an offence if:
 - (a) the person produces a document to:
 - (i) the AUSTRAC CEO; or
 - (ii) an authorised officer; or
 - (iii) a customs officer; or
 - (iv) a police officer; or
 - (v) a reporting entity; or
 - (vi) a person acting on a reporting entity's behalf; and
 - (b) the person does so knowing that the document is false or misleading; and
 - (c) the document is produced, or purportedly produced, under:

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- (i) this Act; or
- (ii) a provision of the regulations or of the AML/CTF Rules, if the regulations or Rules (as applicable) state that this section applies to that provision.

Penalty: Imprisonment for 10 years or 10,000 penalty units, or both.

- (2) Subsection (1) does not apply if the document is not false or misleading in a material particular.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

- (3) Strict liability applies to the paragraph (1)(c) element of the offence.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

138 False documents

Making a false document

- (1) A person commits an offence if:
- (a) the person makes a false document with the intention that the person or another will produce the false document in the course of customer due diligence; and
 - (b) the customer due diligence is under section 28 (undertaking initial customer due diligence) or 30 (undertaking ongoing customer due diligence).

Penalty: Imprisonment for 10 years or 10,000 penalty units, or both.

- (2) In a prosecution for an offence against subsection (1), it is not necessary to prove that the defendant knew that the customer due diligence is under section 28 or 30.

Possessing a false document

- (3) A person commits an offence if:

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- (a) the person knows that a document is a false document; and
- (b) the person has it in his or her possession with the intention that the person or another will produce it in the course of customer due diligence; and
- (c) the customer due diligence is under section 28 or 30.

Penalty: Imprisonment for 10 years or 10,000 penalty units, or both.

- (4) In a prosecution for an offence against subsection (3), it is not necessary to prove that the defendant knew that the customer due diligence is under section 28 or 30.

Possessing equipment for making a false document

- (5) A person commits an offence if the person:
 - (a) knows that a device, material or other thing is designed or adapted for the making of a false document (whether or not the device, material or thing is designed or adapted for another purpose); and
 - (b) has the device, material or thing in his or her possession with the intention that the person or another person will use it to commit an offence against subsection (1).

Penalty: Imprisonment for 10 years or 10,000 penalty units, or both.

Making equipment for making a false document

- (6) A person commits an offence if the person:
 - (a) makes or adapts a device, material or other thing; and
 - (b) knows that the device, material or other thing is designed or adapted for the making of a false document (whether or not the device, material or thing is designed or adapted for another purpose); and
 - (c) makes or adapts the device, material or thing with the intention that the person or another person will use it to commit an offence against subsection (1).

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Penalty: Imprisonment for 10 years or 10,000 penalty units, or both.

Interpretation

- (7) An expression used in this section that is also used in Part 7.7 of the *Criminal Code* has the same meaning as in that Part.

Note: See also section 10.5 of the *Criminal Code* (lawful authority).

139 Providing a designated service using a false customer name or customer anonymity

- (1) A person commits an offence if:
- (a) the person is a reporting entity; and
 - (b) the person commences to provide a designated service; and
 - (c) the person does so using a false customer name; and
 - (d) at least one provision of Division 2, 3 or 4 of Part 2 applies to the provision of the designated service.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

- (2) Strict liability applies to the paragraph (1)(d) element of the offence.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

- (2A) Paragraph (1)(c) does not apply to a false customer name if the customer's use of that name is justified, or excused, by or under a law.

Note: A defendant bears an evidential burden in relation to the matters in this subsection (see subsection 13.3(3) of the *Criminal Code*).

- (3) A person commits an offence if:
- (a) the person is a reporting entity; and
 - (b) the person commences to provide a designated service; and
 - (c) the person does so on the basis of customer anonymity; and
 - (d) at least one provision of Division 2, 3 or 4 of Part 2 applies to the provision of the designated service.

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Penalty: Imprisonment for 2 years or 120 penalty units, or both.

- (4) Strict liability applies to the paragraph (3)(d) element of the offence.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

140 Receiving a designated service using a false customer name or customer anonymity

- (1) A person commits an offence if:
- (a) the person commences to receive a designated service; and
 - (b) the person does so using a false customer name; and
 - (c) at least one provision of Division 2, 3 or 4 of Part 2 applies to the provision of the designated service.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

- (2) Strict liability applies to the paragraph (1)(c) element of the offence.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

- (3) A person commits an offence if:
- (a) the person commences to receive a designated service; and
 - (b) the person does so on the basis of customer anonymity; and
 - (c) at least one provision of Division 2, 3 or 4 of Part 2 applies to the provision of the designated service.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

- (4) Strict liability applies to the paragraph (3)(c) element of the offence.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

141 Customer commonly known by 2 or more different names— disclosure to reporting entity

- (1) A person commits an offence if:
-

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- (a) the person commences to receive a designated service provided by a reporting entity; and
- (b) the person is commonly known by 2 or more different names; and
- (c) the person commences to receive the designated service using one of those names; and
- (d) the person has not previously disclosed the other name or names to the reporting entity; and
- (e) at least one provision of Division 2, 3 or 4 of Part 2 applies to the provision of the designated service.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

- (2) Strict liability applies to the paragraph (1)(e) element of the offence.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

142 Conducting transactions so as to avoid reporting requirements relating to threshold transactions

- (1) A person (the *first person*) commits an offence if:
 - (a) the first person is, or causes another person to become, a party to 2 or more non-reportable transactions; and
 - (b) having regard to:
 - (i) the manner and form in which the transactions were conducted, including the matters to which subsection (3) applies; and
 - (ii) any explanation made by the first person as to the manner or form in which the transactions were conducted;

it would be reasonable to conclude that the first person conducted, or caused the transactions to be conducted, in that manner or form for the sole or dominant purpose of ensuring, or attempting to ensure, that the money, virtual asset or property involved in the transactions was transferred in a manner and form that would not give rise to a threshold

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transaction that would have been required to have been reported under section 43.

Penalty: Imprisonment for 5 years or 300 penalty units, or both.

- (2) Subsection (1) does not apply if the defendant proves that the first person did not conduct the transactions, or cause the transactions to be conducted, as the case may be, for the sole or dominant purpose of ensuring, or attempting to ensure, that the money, virtual asset or property involved in the transactions was transferred in a manner and form that would not give rise to a threshold transaction that would have been required to have been reported under section 43.

Note: A defendant bears a legal burden in relation to the matters in subsection (2)—see section 13.4 of the *Criminal Code*.

- (3) This subsection applies to the following matters:
- (a) the value of the money, virtual asset or property involved in each transaction;
 - (b) the total value of the transactions;
 - (c) the period of time over which the transactions took place;
 - (d) the interval of time between any of the transactions;
 - (e) the locations at which the transactions took place.

143 Conducting transfers to avoid reporting requirements relating to cross-border movements of monetary instruments

- (1) A person (the *first person*) commits an offence if:
- (a) 2 or more non-reportable cross-border movements of monetary instruments are conducted, where each movement was either conducted, or was caused to be conducted, by the first person; and
 - (b) having regard to:
 - (i) the manner and form in which the movements were conducted, including the matters to which subsection (3) applies; and

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- (ii) any explanation made by the first person as to the manner or form in which the movements were conducted;

it would be reasonable to conclude that the first person conducted the movements, or caused the movements to be conducted, as the case may be, in that manner or form for the sole or dominant purpose of ensuring, or attempting to ensure, that no report in relation to the monetary instruments involved in the movements would be made under section 53.

Penalty: Imprisonment for 5 years or 300 penalty units, or both.

- (2) Subsection (1) does not apply if the first person proves that the first person did not conduct the movements, or cause the movements to be conducted, as the case may be, for the sole or dominant purpose of ensuring, or attempting to ensure, that no report in relation to the monetary instruments involved in the movements would be made under section 53.

Note: A defendant bears a legal burden in relation to the matters in subsection (2)—see section 13.4 of the *Criminal Code*.

- (3) This subsection applies to the following matters:
 - (a) for each movement of the one or more monetary instruments—the sum of the monetary instrument amounts;
 - (b) the total of the amounts applicable under paragraph (a) for the movements;
 - (c) the period of time over which the movements occurred;
 - (d) the interval of time between any of the movements;
 - (e) the locations at which the movements were initiated or conducted.

Part 13—Audit

Division 1—Introduction

144 Simplified outline

The following is a simplified outline of this Part:

- An authorised officer may enter any reporting entity business premises:
 - (a) with the occupier’s consent; or
 - (b) under a monitoring warrant.
- An authorised officer who enters any reporting entity business premises may exercise monitoring powers.
- The AUSTRAC CEO may require a reporting entity to carry out an external audit or a money laundering and terrorism financing risk assessment.

Division 2—Appointment of authorised officers and issue of identity cards

145 Appointment of authorised officers

- (1) The AUSTRAC CEO may, in writing, appoint as an authorised officer for the purposes of this Act:
 - (a) a member of the staff of AUSTRAC; or
 - (b) a person whose services are made available to the AUSTRAC CEO under subsection 225(3), other than a person covered by paragraph 225(3)(g).
- Note: For revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.
- (2) The AUSTRAC CEO must not appoint a person to be an authorised officer unless the person satisfies the conditions (if any) specified in the regulations.
 - (3) In exercising powers or performing functions as an authorised officer, an authorised officer must comply with any directions of the AUSTRAC CEO.

146 Identity cards

- (1) The AUSTRAC CEO must issue an identity card to an authorised officer.
- (2) The identity card must
 - (a) be in a form approved in writing by the AUSTRAC CEO; and
 - (b) contain a recent photograph of the authorised officer.
- (3) A person commits an offence if:
 - (a) the person has been issued with an identity card; and
 - (b) the person ceases to be an authorised officer; and
 - (c) the person does not, within 3 business days after so ceasing, return the identity card to the AUSTRAC CEO.

Penalty: 1 penalty unit.

- (4) Subsection (3) does not apply if the person has a reasonable excuse.

Note: A defendant bears an evidential burden in relation to the matter in subsection (4) (see subsection 13.3(3) of the *Criminal Code*).

- (5) An authorised officer must carry the identity card at all times when exercising powers or performing functions as an authorised officer under this Part.

FUTURE LAW COMPILATION

Division 3—Powers of authorised officers

Subdivision A—Monitoring powers

147 Authorised officer may enter premises by consent or under a monitoring warrant

- (1) For the purposes of determining whether the provisions of this Act, the regulations or the AML/CTF Rules have been complied with, an authorised officer may:
 - (a) enter any reporting entity business premises at any reasonable time of the day; and
 - (b) exercise the monitoring powers set out in section 148.
- (2) An authorised officer is not authorised to enter premises under subsection (1) unless:
 - (a) the occupier of the premises has consented to the entry and the officer has shown his or her identity card if required by the occupier; or
 - (b) the entry is made under a monitoring warrant.

Note: Monitoring warrants are issued under section 159.

- (3) If an authorised officer is on the premises with the consent of the occupier, the authorised officer must leave the premises if the occupier asks the authorised officer to do so.

148 Monitoring powers of authorised officers

- (1) For the purposes of this Act, the following are the *monitoring powers* that an authorised officer may exercise, in relation to premises, under section 147:
 - (a) the power to search the premises for any compliance records that:
 - (i) are kept at, or accessible from, the premises; and
 - (ii) relate to a reporting entity;
 - (b) the power to search the premises for any system used by a reporting entity at the premises for keeping those records;

- (c) the power to search the premises for any reports under this Act that are retained at, or accessible from, the premises;
 - (d) the power to search the premises for any system used by a reporting entity in connection with:
 - (i) preparing reports under this Act; or
 - (ii) sending such reports to the AUSTRAC CEO; or
 - (iii) retaining such reports;
 - (e) the power to search the premises for any other thing on the premises that may be relevant to the obligations of a reporting entity under this Act, the regulations or the AML/CTF Rules;
 - (f) the power to examine any activity conducted on the premises that may relate to information provided under this Act, the regulations or the AML/CTF Rules;
 - (g) the power to examine any thing on the premises that may relate to information provided under this Act, the regulations or the AML/CTF Rules;
 - (h) the power to take photographs or make video or audio recordings or sketches on the premises of any such activity or thing;
 - (i) the power to inspect any document on the premises that may relate to information provided under this Act, the regulations or the AML/CTF Rules;
 - (j) the power to take extracts from, or make copies of, any such document;
 - (k) the power to take onto the premises such equipment and materials as the authorised officer requires for the purpose of exercising powers in relation to the premises;
 - (l) the powers set out in subsections (2), (3) and (4).
- (2) For the purposes of this Act, **monitoring powers** include the power to secure a thing for no more than 24 hours if:
- (a) the thing is found during the exercise of monitoring powers on the premises; and
 - (b) an authorised officer believes on reasonable grounds that:

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- (i) the thing affords evidence of the commission of an offence against this Act or the regulations, or evidence of the commission of an offence against the *Crimes Act 1914* or the *Criminal Code* that relates to this Act or the regulations; and
 - (ii) it is necessary to secure the thing in order to prevent it from being concealed, lost or destroyed before a warrant to seize the thing is obtained; and
 - (iii) the circumstances are serious and urgent.
- (3) For the purposes of this Act, **monitoring powers** include the power to operate equipment at the premises to see whether:
 - (a) the equipment; or
 - (b) a data storage device that:
 - (i) is at the premises; and
 - (ii) can be used with the equipment or is associated with it;contains information that is relevant to assessing the correctness of information provided under this Act.
- (4) For the purposes of this Act, **monitoring powers** include the following powers in relation to information described in subsection (3) found in the exercise of the power under that subsection:
 - (a) the power to operate facilities at the premises to put the information in documentary form and copy the documents so produced;
 - (b) the power to operate facilities at the premises to transfer the information to a disk, tape or other storage device that:
 - (i) is brought to the premises for the exercise of the power; or
 - (ii) is at the premises and the use of which for the purpose has been agreed in writing by the occupier of the premises;
 - (c) the power to remove from the premises a disk, tape or other storage device to which the information has been transferred in exercise of the power under paragraph (b).

149 Tampering or interfering with things secured in the exercise of monitoring powers

A person commits an offence if:

- (a) a thing has been secured by an authorised officer in the exercise of the monitoring powers set out in section 148; and
- (b) the person tampers or interferes with the thing.

Penalty: Imprisonment for 6 months or 30 penalty units, or both.

Subdivision B—Powers of authorised officers to ask questions and seek production of documents

150 Authorised officer may ask questions and seek production of documents

- (1) If the authorised officer was authorised to enter premises because the occupier of the premises consented to the entry, the authorised officer may ask the occupier to:
 - (a) answer any questions relating to the operation of this Act, the regulations or the AML/CTF Rules that are put by the authorised officer; and
 - (b) produce any document relating to the operation of this Act, the regulations or the AML/CTF Rules that is requested by the authorised officer.
- (2) If the authorised officer was authorised to enter the premises by a monitoring warrant, the authorised officer may require any person in or on the premises to:
 - (a) answer any questions relating to the operation of this Act, the regulations or the AML/CTF Rules that are put by the authorised officer; and
 - (b) produce any document relating to the operation of this Act, the regulations or the AML/CTF Rules that is requested by the authorised officer.

Note: Monitoring warrants are issued under section 159.

- (3) A person commits an offence if:
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- (a) the person is subject to a requirement under subsection (2);
and
- (b) the person engages in conduct; and
- (c) the person's conduct breaches the requirement.

Penalty: Imprisonment for 6 months or 30 penalty units, or both.

Self-incrimination

- (4) A person is not excused from answering a question or producing a document under subsection (2) on the ground that the answering of the question or the production of the document might tend to incriminate the person or expose the person to a penalty.
- (5) However:
 - (a) the answer given or the document produced; or
 - (b) answering the question or producing the document;is not admissible in evidence against the person:
 - (c) in civil proceedings other than proceedings under the *Proceeds of Crime Act 2002* that relate to this Act; or
 - (d) in criminal proceedings other than:
 - (i) proceedings for an offence against subsection (3); or
 - (ii) proceedings for an offence against section 136 or 137 that relates to this section; or
 - (iii) proceedings for an offence against section 137.1 or 137.2 of the *Criminal Code* that relates to this section.

Division 4—Obligations and incidental powers of authorised officers

151 Authorised officer must produce identity card on request

An authorised officer is not entitled to exercise any powers under this Part in relation to premises if:

- (a) the occupier of the premises requires the authorised officer to produce his or her identity card for inspection by the occupier; and
- (b) the authorised officer fails to comply with the requirement.

152 Consent

- (1) Before obtaining the consent of a person for the purposes of paragraph 147(2)(a), the authorised officer must inform the person that he or she may refuse consent.
- (2) An entry of an authorised officer because of the consent of a person is not lawful unless the person voluntarily consented to the entry.
- (3) The consent may be expressed to be limited to entry during a particular period unless the consent is withdrawn before the end of that period.
- (4) A consent that is not limited as mentioned in subsection (3) has effect until the consent is withdrawn.
- (5) If an authorised officer entered premises because of the consent of a person, the authorised officer must leave the premises if the person withdraws the consent.

153 Announcement before entry

An authorised officer executing a monitoring warrant must, before entering premises under the warrant:

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- (a) announce that he or she is authorised to enter the premises;
and
- (b) give any person at the premises an opportunity to allow entry to the premises.

Note: Monitoring warrants are issued under section 159.

154 Details of monitoring warrant to be given to occupier etc. before entry

- (1) If:
 - (a) a monitoring warrant is being executed in relation to premises; and
 - (b) either:
 - (i) the occupier of the premises is present at the premises;
or
 - (ii) the occupier of the premises is not present at the premises, but another person who apparently represents the occupier is present at the premises;

the authorised officer must make a copy of the warrant available to:

- (c) if subparagraph (b)(i) applies—the occupier of the premises;
or
 - (d) if subparagraph (b)(ii) applies—the person who apparently represents the occupier.
- (2) The authorised officer must identify himself or herself to that person.
 - (3) The copy of the warrant mentioned in subsection (1) need not include the signature of the magistrate who issued the warrant.

Note: Monitoring warrants are issued under section 159.

155 Use of electronic equipment in exercising monitoring powers

- (1) This section applies to the following premises:
 - (a) premises that an authorised officer has entered, and remains on, with the consent of the occupier;

- (b) warrant premises.
- (2) An authorised officer or a person assisting that officer may operate electronic equipment already at the premises in order to exercise monitoring powers if he or she believes, on reasonable grounds, that the operation of the equipment can be carried out without damage to the equipment.
- (3) If the authorised officer or a person assisting believes, on reasonable grounds, that:
- (a) there is on the premises material relating to information provided under this Act, the regulations or the AML/CTF Rules that may be accessible by operating electronic equipment on the premises; and
 - (b) expert assistance is required to operate the equipment; and
 - (c) if he or she does not take action under this subsection, the material may be destroyed, altered or otherwise interfered with;
- he or she may do whatever is necessary to secure the equipment, whether by locking it up, placing a guard, or otherwise.
- (4) The authorised officer or a person assisting must give notice to the occupier of the premises of his or her intention to secure equipment and of the fact that the equipment may be secured for up to 24 hours.
- (5) The equipment may be secured:
- (a) for a period not exceeding 24 hours; or
 - (b) until the equipment has been operated by the expert;
- whichever first happens.
- (6) If an authorised officer or a person assisting believes, on reasonable grounds, that the expert assistance will not be available within 24 hours, he or she may apply to a magistrate for an extension of the period.
- (7) The authorised officer or a person assisting must give notice to the occupier of the premises of his or her intention to apply for an

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extension. The occupier is entitled to be heard in relation to that application.

- (8) The provisions of this Part relating to the issue of monitoring warrants apply, with such modifications as are necessary, to the issue of an extension.

156 Compensation for damage to electronic equipment

- (1) This section applies if:
- (a) as a result of electronic equipment being operated as mentioned in section 155:
 - (i) damage is caused to the equipment; or
 - (ii) the data recorded on the equipment is damaged; or
 - (iii) programs associated with the use of the equipment, or with the use of the data, are damaged or corrupted; and
 - (b) the damage or corruption occurs because:
 - (i) insufficient care was exercised in selecting the person who was to operate the equipment; or
 - (ii) insufficient care was exercised by the person operating the equipment.
- (2) The Commonwealth must pay the owner of the equipment, or the user of the data or programs, such reasonable compensation for the damage or corruption as the Commonwealth and the owner or user agree on.
- (3) However, if the owner or user and the Commonwealth fail to agree, the owner or user may institute proceedings in the Federal Court for such reasonable amount of compensation as the Court determines.
- (4) In determining the amount of compensation payable under subsection (3), regard is to be had to whether the occupier of the premises, or the occupier's employees and agents, if they were available at the time, provided any appropriate warning or guidance on the operation of the equipment.

- (5) Compensation is payable out of money appropriated by the Parliament.

FUTURE LAW COMPILATION

Division 5—Occupier's rights and responsibilities

157 Occupier entitled to be present during execution of monitoring warrant

- (1) If:
 - (a) a monitoring warrant is being executed; and
 - (b) the occupier of the warrant premises, or another person who apparently represents the occupier, is present at the premises; the person is entitled to observe the execution of the warrant.
- (2) The right to observe the execution of the warrant ceases if the person impedes that execution.
- (3) This section does not prevent the execution of the warrant in 2 or more areas of the premises at the same time.

Note: Monitoring warrants are issued under section 159.

158 Occupier to provide authorised officer with facilities and assistance

- (1) The occupier of warrant premises, or another person who apparently represents the occupier, must provide:
 - (a) the authorised officer executing the monitoring warrant; and
 - (b) any person assisting that officer;with all reasonable facilities and assistance for the effective exercise of their powers.

Note: Monitoring warrants are issued under section 159.

- (2) A person commits an offence if:
 - (a) the person is subject to a requirement under subsection (1); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement.

Penalty for contravention of this subsection: 30 penalty units.

Division 6—Monitoring warrants

159 Monitoring warrants

- (1) An authorised officer may apply to a magistrate for a warrant under this section in relation to reporting entity business premises.

Note: A warrant under this section is called a *monitoring warrant*.

- (2) The magistrate may issue the warrant if the magistrate is satisfied, by information on oath or affirmation, that it is reasonably necessary that one or more authorised officers should have access to the premises for the purposes of determining whether the provisions of this Act, the regulations or the AML/CTF Rules have been, or are being, complied with. This subsection has effect subject to subsection (3).
- (3) The magistrate must not issue the warrant unless the authorised officer or some other person has given to the magistrate, either orally or by affidavit, such further information (if any) as the magistrate requires concerning the grounds on which the issue of the warrant is being sought.
- (4) The warrant must:
- (a) contain a description of the premises to which the warrant relates; and
 - (b) authorise one or more authorised officers (whether or not named in the warrant), and any person or persons assisting the authorised officer or authorised officers:
 - (i) to enter the premises; and
 - (ii) to exercise the powers set out in section 148 in relation to the premises; and
 - (c) state whether the entry is authorised to be made at any time of the day or during specified hours of the day; and
 - (d) specify the day (not more than 6 months after the issue of the warrant) on which the warrant ceases to have effect; and
 - (e) state the purpose for which the warrant is issued.

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160 Magistrates—personal capacity

Functions conferred personally

- (1) The functions conferred on a magistrate by section 159 are conferred on the magistrate:
 - (a) in a personal capacity; and
 - (b) not as a court or a member of a court.

Functions need not be accepted

- (2) The magistrate need not accept the functions conferred.

Protection and immunity

- (3) A magistrate performing a function conferred by section 159 has the same protection and immunity as if he or she were performing the function:
 - (a) as the court of which the magistrate is a member; or
 - (b) as a member of the court of which the magistrate is a member.

FUTURE LAW COMPILATION

Division 7—External audits

161 External audits—risk management etc.

- (1) This section applies if the AUSTRAC CEO has reasonable grounds to suspect that a reporting entity has not taken, or is not taking, appropriate action to identify, assess, manage or mitigate the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services at or through a permanent establishment of the reporting entity in Australia.

Requirement

- (2) The AUSTRAC CEO may, by written notice given to the reporting entity, require the reporting entity to:
- (a) appoint an external auditor; and
 - (b) arrange for the external auditor to carry out an external audit of the reporting entity's capacity and endeavours to identify, assess, manage or mitigate the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services at or through a permanent establishment of the reporting entity in Australia; and
 - (c) arrange for the external auditor to give the reporting entity a written report (the **audit report**) setting out the results of the audit; and
 - (d) give the AUSTRAC CEO a copy of the audit report within:
 - (i) the period specified in the notice; or
 - (ii) if the AUSTRAC CEO allows a longer period—that longer period.

Note: The AUSTRAC CEO's decisions under this subsection are reviewable (see Part 17A).

- (3) The notice must specify:
- (a) the matters to be covered by the audit; and

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- (b) the form of the audit report and the kinds of details it is to contain.
- (4) The matters that may be specified under paragraph (3)(a) may include either or both of the following:
 - (a) an assessment of the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services at or through a permanent establishment of the reporting entity in Australia;
 - (b) an assessment of what the reporting entity will need to do, or continue to do, to appropriately identify, assess, manage or mitigate the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services at or through a permanent establishment of the reporting entity in Australia.
- (5) Subsection (4) does not limit paragraph (3)(a).

Eligibility for appointment as an external auditor

- (6) An individual is not eligible to be appointed an external auditor by a reporting entity if:
 - (a) the individual is an officer, employee or agent of the reporting entity; or
 - (b) both:
 - (i) the reporting entity is a member of a reporting group; and
 - (ii) the individual is an officer, employee or agent of another member of the reporting group.

Offence

- (7) A person commits an offence if:
 - (a) the person is subject to a requirement under subsection (2); and
 - (b) the person engages in conduct; and

(c) the person's conduct breaches the requirement.

Penalty: Imprisonment for 6 months or 30 penalty units, or both.

Civil penalty

(8) A reporting entity must comply with a requirement under subsection (2).

(9) Subsection (8) is a civil penalty provision.

162 External audits—compliance

(1) This section applies if the AUSTRAC CEO has reasonable grounds to suspect that a reporting entity has contravened, is contravening, or is proposing to contravene, this Act, the regulations or the AML/CTF Rules.

(2) The AUSTRAC CEO may, by written notice given to the reporting entity, require the reporting entity to:

(a) appoint an external auditor; and

(b) arrange for the external auditor to carry out an external audit of whichever of the following is specified in the notice:

(i) the reporting entity's compliance with this Act, the regulations and the AML/CTF Rules;

(ii) one or more specified aspects of the reporting entity's compliance with this Act, the regulations and the AML/CTF Rules; and

(c) arrange for the external auditor to give the reporting entity a written report (the *audit report*) setting out the results of the audit; and

(d) give the AUSTRAC CEO a copy of the audit report within:

(i) the period specified in the notice; or

(ii) if the AUSTRAC CEO allows a longer period—that longer period.

(3) The notice must specify:

(a) the matters to be covered by the audit; and

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- (b) the form of the audit report and the kinds of details it is to contain.
- (4) The matters that may be specified under paragraph (3)(a) may include either or both of the following:
 - (a) an assessment of the reporting entity's existing capacity to comply with this Act, the regulations and the AML/CTF Rules;
 - (b) an assessment of what the reporting entity will need to do, or continue to do, to comply with this Act, the regulations and the AML/CTF Rules.
- (5) Subsection (4) does not limit paragraph (3)(a).

Eligibility for appointment as an external auditor

- (6) An individual is not eligible to be appointed an external auditor by a reporting entity if:
 - (a) the individual is an officer, employee or agent of the reporting entity; or
 - (b) both:
 - (i) the reporting entity is a member of a reporting group; and
 - (ii) the individual is an officer, employee or agent of another member of the reporting group.

Offence

- (7) A person commits an offence if:
 - (a) the person is subject to a requirement under subsection (2); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement.

Penalty: Imprisonment for 12 months or 60 penalty units, or both.

Civil penalty

- (8) A reporting entity must comply with a requirement under subsection (2).
- (9) Subsection (8) is a civil penalty provision.

163 External auditor may have regard to the results of previous audit

In carrying out an external audit in accordance with a notice under section 161 or 162, an external auditor may, if:

- (a) an external audit was completed under that section within the last preceding 2 years; and
- (b) the external auditor is satisfied that the previous audit is still relevant;

have regard to the results of the previous audit.

164 External auditors

- (1) The AUSTRAC CEO may, by writing, authorise a specified individual to be an external auditor for the purposes of this Act.

Note 1: For specification by class, see subsection 33(3AB) of the *Acts Interpretation Act 1901*.

Note 2: For variation and revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.

- (2) An authorisation under subsection (1) is not a legislative instrument.

Part 14—Information-gathering powers

Division 1—Introduction

166 Simplified outline

An authorised officer may obtain information or documents.

If the AUSTRAC CEO believes on reasonable grounds that a person has information or a document that is relevant to compliance with this Act, the regulations or the AML/CTF Rules, or an offence against the *Crimes Act 1914* or the *Criminal Code* that relates to this Act, the regulations or the AML/CTF Rules, the AUSTRAC CEO may require the person:

- (a) to produce to the AUSTRAC CEO, within the period and in the manner specified in the notice, any such documents; or
- (b) to appear before an examiner for examination under this Division on oath or affirmation and to answer questions, and to produce any such documents.

The examiner may, and must if the examinee so requests, cause a record to be made of statements made at an examination under this Division.

A statement made by a person at an examination under this Division of the person is admissible in evidence against the person in certain proceedings except in certain circumstances.

Division 2—Powers of authorised officers

167 Authorised officer may obtain information and documents

- (1) This section applies to a person if an authorised officer reasonably believes that the person has knowledge of information, or possession or control of a document, that is relevant to the compliance with or enforcement of:
- (a) an offence provision of this Act or the regulations; or
 - (b) a civil penalty provision of this Act or the regulations; or
 - (c) an offence provision of the *Crimes Act 1914* or the *Criminal Code*, to the extent that it relates to this Act.

Requirement

- (2) The authorised officer may, by written notice given to the person, require the person:
- (a) to give to the authorised officer, within the period and in the manner specified in the notice, any such information; or
 - (b) to produce to the authorised officer, within the period and in the manner specified in the notice, any such documents; or
 - (c) to make copies of any such documents and to produce to the authorised officer, within the period and in the manner specified in the notice, those copies.

Offence

- (3) A person commits an offence if:
- (a) the person has been given a notice under subsection (2); and
 - (b) the person omits to do an act; and
 - (c) the omission contravenes a requirement in the notice.

Penalty: Imprisonment for 6 months or 30 penalty units, or both.

Compliance

- (3A) A person must comply with a notice given under subsection (2).

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(3B) Subsection (3A) is a civil penalty provision.

Notice to set out the effect of offence provisions etc.

- (4) A notice under subsection (2) must set out the effect of the following provisions:
- (a) subsection (3);
 - (aa) subsection (5);
 - (ab) subsection (6);
 - (b) section 136;
 - (c) section 137.

Note 1: Section 136 is about giving false or misleading information.

Note 2: Section 137 is about producing false or misleading documents.

Legal professional privilege

- (5) If:
- (a) a person is given a notice under subsection (2) in relation to information, a document or a copy of a document; and
 - (b) the person reasonably believes that the information, document or copy is privileged from being given or produced on the ground of legal professional privilege;
- the person must give the AUSTRAC CEO an LPP form in relation to the information, document or copy within the period specified in the notice.

(6) Subsection (5) is a civil penalty provision.

Note: For other provisions dealing with legal professional privilege, see sections 242 and 242A.

168 Copying documents—reasonable compensation

A person is entitled to be paid reasonable compensation for complying with a requirement covered by paragraph 167(2)(c).

169 Self-incrimination

- (1) A person is not excused from giving information or producing a document under section 167 on the ground that the information or the production of the document might tend to incriminate the person or expose the person to a penalty.
- (2) However:
 - (a) the information given or the document produced; or
 - (b) giving the information or producing the document;is not admissible in evidence against the person:
 - (c) in civil proceedings other than:
 - (i) proceedings under this Act; or
 - (ii) proceedings under the *Proceeds of Crime Act 2002* that relate to this Act; or
 - (d) in criminal proceedings other than:
 - (i) proceedings for an offence against this Act; or
 - (ii) proceedings for an offence against the *Criminal Code* that relates to this Act; or
 - (iii) proceedings for an offence against a provision covered by the definition of *money laundering* in section 5; or
 - (iv) proceedings for an offence against a provision covered by the definition of *financing of terrorism* in section 5; or
 - (v) proceedings for an offence against a provision covered by the definition of *proliferation financing* in section 5.

170 Copies of documents

An authorised officer may inspect a document produced under this Part and may make and retain copies of, or take and retain extracts from, such a document.

171 Authorised officer may retain documents

- (1) An authorised officer may take possession of a document produced under this Part, and retain it for as long as is reasonably necessary.

Part 14 Information-gathering powers

Division 2 Powers of authorised officers

Section 172

- (2) The person otherwise entitled to possession of the document is entitled to be supplied, as soon as practicable, with a copy certified by the authorised officer to be a true copy.
- (3) The certified copy must be received in all courts and tribunals as evidence as if it were the original.
- (4) Until a certified copy is supplied, the authorised officer must provide the person otherwise entitled to possession of the document, or a person authorised by that person, reasonable access to the document for the purposes of inspecting and making copies of, or taking extracts from, the document.

172 Division 400 and Chapter 5 of the *Criminal Code*

If a person, or an officer, employee or agent of a person, provides information under a notice under subsection 167(2), the person, officer, employee or agent is taken, for the purposes of Division 400 and Chapter 5 of the *Criminal Code*, not to have been in possession of that information at any time.

Division 3—Other powers to obtain information and documents

Subdivision A—Examination of persons

172A Power of AUSTRAC CEO to obtain information and documents

- (1) This section applies if the AUSTRAC CEO believes on reasonable grounds that a person has information or a document that is relevant to:
 - (a) compliance with this Act, the regulations or the AML/CTF Rules; or
 - (b) an offence against the *Crimes Act 1914* or the *Criminal Code* that relates to this Act, the regulations or the AML/CTF Rules.
- (2) The AUSTRAC CEO may, by written notice given to the person, require the person:
 - (a) to produce to the AUSTRAC CEO, within the period and in the manner specified in the notice, any such documents; or
 - (b) to appear before an examiner at the time and place specified in the notice:
 - (i) for examination under this Division, on oath or affirmation and to answer questions; and
 - (ii) to produce any such documents.
- (3) The notice must:
 - (a) if paragraph (2)(b) applies—state the general nature of the matter to which the questions will relate; and
 - (b) in any case set out the effect of subsections (4) and 172F(1).
- (4) A person commits an offence if the person intentionally or recklessly fails to comply with a notice under subsection (2).

Penalty: Imprisonment for 2 years or 100 penalty units, or both.

Section 172B

172B Proceedings at examination

Sections 172C to 172H apply if, in accordance with a notice given under section 172A, a person (in this Division called the *examinee*) appears before another person (in this Division called the *examiner*) for examination.

172C Requirements made of persons appearing for examination

- (1) If a person appears for examination in accordance with a notice given under subsection 172A(2), the examiner may examine the person on oath or affirmation and may, for that purpose:
 - (a) require the person to either take an oath or make an affirmation; and
 - (b) administer an oath or affirmation to the person.
- (2) The oath or affirmation to be taken or made by the examinee for the purposes of the examination is an oath or affirmation that the statements that the examinee will make will be true.
- (3) A person commits an offence of strict liability if the person refuses or fails to comply with a requirement made under subsection (1).

Penalty: 3 months imprisonment.

- (4) The examiner may require the person to answer a question that is put to the person at the examination and is relevant to:
 - (a) compliance with this Act, the regulations or the AML/CTF Rules; or
 - (b) an offence against the *Crimes Act 1914* or the *Criminal Code* that relates to this Act, the regulations or the AML/CTF Rules.
- (5) A person commits an offence if the person intentionally or recklessly refuses or fails to comply with a requirement made under subsection (4).

Penalty: Imprisonment for 2 years.

172D Examination to take place in private

- (1) An examination under this Division must take place in private and the examiner may give directions about who may be present during it, or during a part of it.
- (2) A person commits an offence of strict liability if:
 - (a) the person is present at the examination; and
 - (b) the person is not:
 - (i) the examiner or examinee; or
 - (ii) a member of the staff of AUSTRAC approved by the examiner; or
 - (iii) entitled to be present by virtue of a direction under subsection (1) or subsection 172F(1).

Penalty: 30 penalty units.

172E Procedures for holding an examination

- (1) The examiner may decide to hold an examination under this Division:
 - (a) at one or more physical venues; or
 - (b) at one or more physical venues and using virtual examination technology that allows a person to appear at all or part of the examination without being physically present at the examination; or
 - (c) using virtual examination technology only.
- (2) Subsection (3) applies if the examination is held:
 - (a) at one or more physical venues and using virtual examination technology; or
 - (b) using virtual examination technology only.
- (3) The examiner must ensure that the use of the virtual examination technology is reasonable.
- (4) If the examination is held:
 - (a) at more than one physical venue; or

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Division 3 Other powers to obtain information and documents

Section 172F

- (b) at one or more physical venues and using virtual examination technology; or
 - (c) using virtual examination technology only;
- the examiner may appoint a single place and time at which the examination is taken to have been held.
- (5) This section applies to part of an examination in the same way that it applies to all of an examination.
 - (6) In this section:

virtual examination technology means any technology that allows a person to appear at all or part of an examination under this Division without being physically present at the examination.

172F Examinee's lawyer may attend

- (1) The examinee's lawyer may be present at the examination and may, at such times during the examination as the examiner determines:
 - (a) address the examiner; and
 - (b) examine the examinee;about matters about which the examiner has examined the examinee.
- (2) If, in the examiner's opinion, a person is trying to obstruct the examination by exercising rights under subsection (1), the examiner may require the person to stop addressing the examiner, or examining the examinee, as the case requires.
- (3) A person commits an offence of strict liability if the person refuses or fails to comply with a requirement made under subsection (2).

Penalty: 20 penalty units.

172G Record of examination

- (1) The examiner may, and must if the examinee so requests, cause a record to be made of statements made at an examination under this Division.
- (2) If a record made under subsection (1) is in writing or is reduced to writing:
 - (a) the examiner may require the examinee to read it, or to have it read to the examinee, and may require the examinee to sign it; and
 - (b) the examiner must, if requested in writing by the examinee to give to the examinee a copy of the written record, comply with the request without charge but subject to such conditions (if any) as the examiner imposes.
- (3) A person commits an offence of strict liability if the person fails to comply with a requirement made under paragraph (2)(a).

Penalty: 3 months imprisonment.

172H Giving to other persons copies of written record of examination

- (1) The AUSTRAC CEO may give a copy of the whole or a part of a written record of an examination made under subsection 172G(1) to a person's lawyer if the lawyer satisfies the AUSTRAC CEO that the person is carrying on, or is contemplating in good faith, a proceeding in respect of a matter to which the examination related.
- (2) A person commits an offence of strict liability if:
 - (a) the AUSTRAC CEO gives a copy of the whole or a part of a written record of an examination to a person under subsection (1); and
 - (b) the person, or any other person who has possession, custody or control of the copy or a copy of it:
 - (i) uses the copy or a copy of it; or

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- (ii) publishes, or communicates to another person, the copy, a copy of it, or any part of the copy's contents; except in connection with preparing, beginning or carrying on, or in the course of, a proceeding.

Penalty: 30 penalty units.

- (3) The AUSTRAC CEO may, subject to such conditions (if any) as it imposes, give to a person a copy of the whole or a part of a written record of the examination made under subsection 172G(1).

172J Copies of record of examination given subject to conditions

A person (the *first person*) commits an offence of strict liability if:

- (a) a copy of the whole or a part of a record is given to a person under subsection 172G(2) or 172H(3) subject to conditions; and
- (b) the first person:
 - (i) is the person referred to in paragraph (a); or
 - (ii) has possession, custody or control of the copy or a copy of it; and
- (c) the first person engages in conduct; and
- (d) the first person's conduct breaches the condition.

Penalty: 30 penalty units.

172K Self-incrimination

- (1) For the purposes of this Division, it is not a reasonable excuse for an individual to refuse or fail:
 - (a) to answer a question; or
 - (b) to produce a document; or
 - (c) to sign a record;

in accordance with a requirement made of the individual under this Division, on the ground that answering the question, producing the document or signing the record might tend to incriminate the individual or expose the individual to a penalty.

- (2) Subsection (3) applies if:
- (a) before making an oral statement in answer to a question, or signing a record, in accordance with a requirement made under this Division, the individual claims that the statement or the signing of the record (as the case may be) might tend to incriminate the individual or make the individual liable to a penalty; and
 - (b) the statement or the signing of the record (as the case may be) might, in fact, tend to incriminate the individual or make the individual so liable.
- (3) The statement or the fact that the individual has signed the record (as the case may be) is not admissible in evidence against the individual in:
- (a) civil or criminal proceedings; or
 - (b) a proceeding for the imposition of a penalty;
- other than a proceeding in respect of:
- (c) in the case of the making of a statement—the falsity of the statement; or
 - (d) in the case of the signing of a record—the falsity of any statement contained in the record.

Note: The law relating to legal professional privilege is not affected by this Act (see section 242).

Subdivision B—Evidentiary use of certain material

172L Statements made at an examination—proceedings against examinee

- (1) A statement that a person makes at an examination under this Division of the person is admissible in evidence against the person in a proceeding referred to in subsection (2) unless:
- (a) because of subsection 172K(3), the statement is not admissible in evidence against the person in the proceeding; or
 - (b) the statement is not relevant to the proceeding and the person objects to the admission of evidence of the statement; or

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- (c) the statement is qualified or explained by another statement made at the examination, evidence of the other statement is not tendered in the proceeding, and the person objects to the admission of evidence of the first-mentioned statement; or
- (d) the statement discloses matter in respect of which the person could claim legal professional privilege in the proceeding if this subsection did not apply in relation to the statement, and the person objects to the admission of evidence of the statement.

Note: The law relating to legal professional privilege is not affected by this Act (see section 242).

- (2) For the purposes of subsection (1), the proceedings are:
 - (a) a proceeding in a court; or
 - (b) a proceeding or hearing before, or an examination by or before, a tribunal in Australia or any other body, authority or person in Australia having power, by law or by consent of parties, to hear, receive or examine evidence;whether the proceeding, hearing or examination is of a civil, administrative, criminal, disciplinary or other nature.
- (3) Subsection (1) applies in relation to a proceeding against a person even if it is heard together with a proceeding against another person.
- (4) If a written record of an examination of a person is signed by the person under subsection 172G(2) or authenticated in any other manner specified in the AML/CTF Rules, the record is, in a proceeding, prima facie evidence of the statements it records, but nothing in this Division limits or affects the admissibility in the proceeding of other evidence of statements made at the examination.

172M Statements made at an examination—other proceedings

- (1) If direct evidence by a person (the *absent witness*) of a matter would be admissible in a proceeding referred to in subsection (2), a statement that the absent witness made at an examination under

this Division of the absent witness and that tends to establish that matter is admissible in the proceeding as evidence of that matter:

- (a) if it appears to the court or tribunal that:
 - (i) the absent witness is dead or is unfit, because of physical or mental incapacity, to attend as a witness; or
 - (ii) the absent witness is outside the State or Territory in which the proceeding is being heard and it is not reasonably practicable to secure the witness' attendance; or
 - (iii) all reasonable steps have been taken to find the absent witness but the witness cannot be found; or
 - (b) if it does not so appear to the court or tribunal—unless another party to the proceeding requires the party tendering evidence of the statement to call the absent witness as a witness in the proceeding and the tendering party does not so call the absent witness.
- (2) For the purposes of subsection (1), the proceedings are:
- (a) a proceeding in a court; or
 - (b) a proceeding or hearing before, or an examination by or before, a tribunal in Australia or any other body, authority or person in Australia having power, by law or by consent of parties, to hear, receive or examine evidence;
- whether the proceeding, hearing or examination is of a civil, administrative, criminal, disciplinary or other nature.

172N Weight of evidence admitted under section 172M

- (1) This section applies if evidence of a statement made by a person at an examination under this Division of the person is admitted under section 172M in a proceeding.
- (2) In deciding how much weight (if any) to give to the statement as evidence of a matter, regard is to be had to:
 - (a) how long after the matters to which it related the statement was made; and

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- (b) any reason the person may have had for concealing or misrepresenting a material matter; and
 - (c) any other circumstances from which it is reasonable to draw an inference about how accurate the statement is.
- (3) If the person is not called as a witness in the proceeding:
- (a) evidence that would, if the person had been so called, have been admissible in the proceeding for the purpose of destroying or supporting the person's credibility is so admissible; and
 - (b) evidence is admissible to show that the statement is inconsistent with another statement that the person has made at any time.
- (4) However, evidence of a matter is not admissible under this section if, had the person been called as a witness in the proceeding and denied the matter in cross-examination, evidence of the matter would not have been admissible if adduced by the cross-examining party.

172P Objection to admission of statements made at examination

- (1) A party (the *adducing party*) to a proceeding referred to in subsection (2) may, not less than 14 days before the first day of the hearing of the proceeding, give to another party to the proceeding written notice that the adducing party:
- (a) will apply to have admitted in evidence in the proceeding specified statements made at an examination under this Division; and
 - (b) for that purpose, will apply to have evidence of those statements admitted in the proceeding.
- (2) For the purposes of subsection (1), the proceedings are:
- (a) a proceeding in a court; or
 - (b) a proceeding or hearing before, or an examination by or before, a tribunal in Australia or any other body, authority or person in Australia having power, by law or by consent of parties, to hear, receive or examine evidence;

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whether the proceeding, hearing or examination is of a civil, administrative, criminal, disciplinary or other nature.

- (3) A notice under subsection (1) must set out, or be accompanied by writing that sets out, the specified statements.
- (4) Within 14 days after a notice is given under subsection (1), the other party may give to the adducing party a written notice:
 - (a) stating that the other party objects to specified statements being admitted in evidence in the proceeding; and
 - (b) specifies, in relation to each of those statements, the grounds of objection.
- (5) The period prescribed by subsection (4) may be extended by the court or tribunal or by agreement between the parties concerned.
- (6) On receiving a notice given under subsection (4), the adducing party must give to the court or tribunal or other body referred to in paragraph (2)(b) (as the case requires) a copy of:
 - (a) the notice under subsection (1) and any writing that subsection (3) required to accompany that notice; and
 - (b) the notice under subsection (4).
- (7) If subsection (6) is complied with, the court or tribunal or other body may either:
 - (a) determine the objections as a preliminary point before the hearing of the proceeding begins; or
 - (b) defer determination of the objections until the hearing.
- (8) If a notice has been given in accordance with subsections (1) and (3), the other party is not entitled to object at the hearing of the proceeding to a statement specified in the notice being admitted in evidence in the proceeding, unless:
 - (a) the other party has, in accordance with subsection (4), objected to the statement being so admitted; or
 - (b) the court or tribunal or other body gives the other party leave to object to the statement being so admitted.

Part 14 Information-gathering powers

Division 3 Other powers to obtain information and documents

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172Q Material otherwise admissible

Nothing in this Division renders evidence inadmissible in a proceeding in circumstances where it would have been admissible in that proceeding if this Division had not been enacted.

Subdivision C—Miscellaneous

172R Application of Crimes Act and Evidence Act

- (1) For the purposes of Part III of the *Crimes Act 1914*, an examination under this Division is a judicial proceeding.
- (2) Part 2.2, sections 69, 70, 71 and 147 and Division 2 of Part 4.6 of the *Evidence Act 1995* apply to an examination under this Division in the same way that they apply to a proceeding to which that Act applies under section 4 of that Act.

Part 15—Enforcement

Division 1—Introduction

173 Simplified outline

The following is a simplified outline of this Part:

- Pecuniary penalties are payable for contraventions of civil penalty provisions.
- Authorised officers, customs officers and police officers may issue infringement notices for unreported cross-border movements of monetary instruments.
- The AUSTRAC CEO is to monitor compliance by reporting entities with their obligations under this Act, the regulations and the AML/CTF Rules.
- The AUSTRAC CEO may give a remedial direction to a reporting entity that has contravened a civil penalty provision.
- The Federal Court may grant injunctions in relation to contraventions of civil penalty provisions.
- The AUSTRAC CEO may accept enforceable undertakings.
- Customs officers and police officers may exercise powers of questioning, search and arrest in connection with a cross-border movement of monetary instruments.

Division 2—Civil penalties

174 Ancillary contravention of civil penalty provision

- (1) A person must not:
 - (a) attempt to contravene a civil penalty provision (other than this subsection); or
 - (b) aid, abet, counsel or procure a contravention of a civil penalty provision (other than this subsection); or
 - (c) induce, whether by threats or promises or otherwise, a contravention of a civil penalty provision (other than this subsection); or
 - (d) be in any way, directly or indirectly, knowingly concerned in, or party to, a contravention of a civil penalty provision (other than this subsection); or
 - (e) conspire with others to effect a contravention of a civil penalty provision (other than this subsection).

Civil penalty

- (2) Subsection (1) is a civil penalty provision.

175 Civil penalty orders

- (1) If the Federal Court is satisfied that a person has contravened a civil penalty provision, the Federal Court may order the person to pay the Commonwealth a pecuniary penalty.
- (2) An order under subsection (1) is to be known as a ***civil penalty order***.

Determining amount of pecuniary penalty

- (3) In determining the pecuniary penalty, the Federal Court must have regard to all relevant matters, including:
 - (a) the nature and extent of the contravention; and
 - (b) the nature and extent of any loss or damage suffered as a result of the contravention; and

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- (c) the circumstances in which the contravention took place; and
- (d) whether the person has previously been found by the Federal Court in proceedings under this Act to have engaged in any similar conduct; and
- (e) if the Federal Court considers that it is appropriate to do so—whether the person has previously been found by a court in proceedings under a law of a State or Territory to have engaged in any similar conduct; and
- (f) if the Federal Court considers that it is appropriate to do so—whether the person has previously been found by a court in a foreign country to have engaged in any similar conduct; and
- (g) if the Federal Court considers that it is appropriate to do so—whether the person has previously been found by a court in proceedings under the repealed *Financial Transaction Reports Act 1988* to have engaged in any similar conduct.

Maximum pecuniary penalty

- (4) The pecuniary penalty payable by a body corporate must not exceed 100,000 penalty units.
- (5) The pecuniary penalty payable by a person other than a body corporate must not exceed 20,000 penalty units.

Conduct contravening more than one civil penalty provision

- (6) If conduct constitutes a contravention of 2 or more civil penalty provisions, proceedings may be instituted under this section against a person in relation to the contravention of any one or more of those provisions. However, the person is not liable to more than one pecuniary penalty under this section in respect of the same conduct.

Civil enforcement of penalty

- (7) The pecuniary penalty is a civil debt payable to the Commonwealth. The Commonwealth may enforce the civil penalty order as if it were an order made in civil proceedings against the

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person to recover a debt due by the person. The debt arising from the order is taken to be a judgment debt.

176 Who may apply for a civil penalty order

- (1) Only the AUSTRAC CEO may apply for a civil penalty order.
- (2) Subsection (1) does not exclude the operation of the *Director of Public Prosecutions Act 1983*.

177 2 or more proceedings may be heard together

The Federal Court may direct that 2 or more proceedings for civil penalty orders are to be heard together.

178 Time limit for application for an order

Proceedings for a civil penalty order may be started no later than 6 years after the contravention.

179 Civil evidence and procedure rules for civil penalty orders

The Federal Court must apply the rules of evidence and procedure for civil matters when hearing proceedings for a civil penalty order.

180 Civil proceedings after criminal proceedings

The Federal Court must not make a civil penalty order against a person for a contravention if the person has been convicted of an offence constituted by conduct that is substantially the same as the conduct constituting the contravention.

181 Criminal proceedings during civil proceedings

- (1) Proceedings for a civil penalty order against a person are stayed if:
 - (a) criminal proceedings are started or have already been started against the person for an offence; and

- (b) the offence is constituted by conduct that is substantially the same as the conduct alleged to constitute the contravention.
- (2) The proceedings for the order may be resumed if the person is not convicted of the offence. Otherwise, the proceedings for the order are dismissed.

182 Criminal proceedings after civil proceedings

Criminal proceedings may be started against a person for conduct that is substantially the same as conduct constituting a contravention of a civil penalty provision regardless of whether a civil penalty order has been made against the person.

183 Evidence given in proceedings for penalty not admissible in criminal proceedings

Evidence of information given, or evidence of production of documents, by an individual is not admissible in criminal proceedings against the individual if:

- (a) the individual previously gave the evidence or produced the documents in proceedings for a civil penalty order against the individual for a contravention of a civil penalty provision (whether or not the order was made); and
- (b) the conduct alleged to constitute the offence is substantially the same as the conduct that was claimed to constitute the contravention.

However, this does not apply to a criminal proceeding in respect of the falsity of the evidence given by the individual in the proceedings for the civil penalty order.

Division 3—Infringement notices for certain contraventions

184 When an infringement notice can be given

- (1) If an authorised officer, a customs officer or a police officer has reasonable grounds to believe that a person has contravened an infringement notice provision, the officer may give the person an infringement notice relating to the contravention.
- (1A) An *infringement notice provision* means any of the following provisions:
- (aaaa) a designated infringement notice provision (see subsection (4));
 - (aaa) subsection 51B(1) (which deals with the requirement for reporting entities to enrol on the Reporting Entities Roll);
 - (aa) subsection 51F(1) (which deals with reporting entities notifying changes of their enrolment details);
 - (a) subsection 53(2) (which deals with reports about movements of monetary instruments);
 - (c) subsections 74(1), (1A), (1B) and (1C) (which deal with providing certain remittance services if unregistered or in breach of a condition of registration);
 - (d) subsection 75M(1) (which deals with notifying the AUSTRAC CEO of certain matters);
 - (e) subsections 76A(1) and (2) (which deal with providing certain virtual asset services without being registered);
 - (f) subsection 76P(1) (which deals with notifying the AUSTRAC CEO of certain matters).
- (1B) Despite subsection (1), an infringement notice relating to the alleged contravention of a designated infringement notice provision may only be given to a person by an authorised officer.
- (1C) An authorised officer must not issue an infringement notice relating to a contravention of subsection 32(1), 41(2), 43(2), 46(2) or (5), 46A(2) or 49(2) unless the authorised officer considers that

issuing such a notice is appropriate in the particular case after taking into account:

- (a) the nature and extent of the contravention; and
 - (b) the seriousness of the contravention; and
 - (c) the circumstances in which the contravention took place; and
 - (d) any other matter the authorised officer considers to be relevant.
- (2) The infringement notice must be given within 12 months after the day on which the contravention is alleged to have taken place.
- (3) If a customs officer or a police officer issues an infringement notice, the officer must, within 5 business days after the day of issue of the infringement notice, forward a copy of the infringement notice to the AUSTRAC CEO.
- (4) In this Act:

designated infringement notice provision means any of the following provisions:

- (aa) subsection 26K(1) or (2) (which deal with reporting entities' obligation to designate an AML/CTF compliance officer);
- (ab) subsection 26M(1) (which deals with notifications about AML/CTF compliance officers);
- (ac) subsection 26N(2) (which deals with AML/CTF program documentation);
- (ad) subsection 26P(3) (which deals with AML/CTF program approvals);
- (ae) subsection 26Q(2) (which deals with requests for AML/CTF program documentation);
- (af) subsection 26Q(2A) (which deals with providing an LPP form in relation to certain further information requested);
- (b) subsection 41(2) (which deals with reporting certain suspicious matters);
- (c) subsection 43(2) (which deals with reporting a threshold transaction);

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- (d) subsection 46(2) or (5) (which deals with reporting about international value transfer services);
- (da) subsection 46A(2) (which deals with reporting about transfers of value involving unverified self-hosted virtual asset wallets);
- (e) subsection 47(2) (which deals with reporting on compliance with the Act and other instruments);
- (f) subsection 49(2) (which deals with providing further information on request);
- (fa) subsection 49(4) (which deals with providing an LPP form in relation to information or documents requested);
- (fb) subsection 49B(6) (which deals with complying with a notice requiring certain information or documents);
- (fc) subsection 49B(6A) (which deals with providing an LPP form in relation to information or documents requested);
- (fd) subsection 50(4) (which deals with providing certain reports about a card issuer's response, or lack of response to the AUSTRAC CEO);
- (fe) subsection 50(5) (which deals with providing certain reports about a card issuer's response, or lack of response to the Commissioner of Taxation);
- (ff) subsections 64(2), (3) and (5) (which deal with obligations of ordering institutions relating to transfers of value);
- (fg) subsections 66(4) and (5) (which deal with obligations of intermediary institutions relating to transfers of value);
- (fh) subsections 66A(4) and (7) (which deal with obligations of ordering and beneficiary institutions relating to virtual asset transfers);
- (fi) subsection 75N(3) (which deals with providing an LPP form in relation to certain further information requested);
- (fj) subsection 76Q(3) (which deals with providing an LPP form in relation to certain further information requested);
- (fk) subsection 111(2) (which deals with retaining records relating to customer due diligence);

- (fl) subsection 114B(2) (which deals with retaining certain records made or obtained under the repealed *Financial Transaction Reports Act 1988*);
- (g) subsection 116(1) or (3) (which deal with retaining records relating to AML/CTF programs);
- (h) subsection 167(3A) (which deals with complying with a notice requiring certain information or documents);
- (i) subsection 167(5) (which deals with providing an LPP form in relation to certain information or documents to be provided to an authorised officer);
- (j) subsection 202(5) (which deals with reporting entities providing an LPP form in relation to certain information or documents requested by notice).

185 Matters to be included in an infringement notice

- (1) An infringement notice must:
 - (a) set out the name of the person to whom the notice is given; and
 - (b) set out the name of the person who gave the notice; and
 - (c) set out brief details relating to the alleged contravention of the infringement notice provision, including the date of the alleged contravention; and
 - (d) contain a statement to the effect that neither criminal nor civil penalty proceedings will be brought in relation to the matter if the penalty specified in the notice is paid to the AUSTRAC CEO, on behalf of the Commonwealth, within:
 - (i) 28 days after the notice is given; or
 - (ii) if the AUSTRAC CEO allows a longer period—that longer period; and
 - (e) give an explanation of how payment of the penalty is to be made; and
 - (f) set out such other matters (if any) as are specified in the regulations.

Note: See sections 186A and 186B for the penalty to be specified in the infringement notice.

Section 186A

- (2) An infringement notice may specify more than one alleged contravention of one or more infringement notice provisions. If it does so, the infringement notice must set out the details referred to in paragraph (1)(c) in relation to each alleged contravention.

186A Amount of penalty—breaches of certain provisions of Part 3A, 4, 6 or 6A

Infringement notice—bodies corporate

- (1) The penalty to be specified in an infringement notice for an alleged contravention of subsection 51B(1), 51F(1), 53(2), 74(1), (1A), (1B) or (1C), 75M(1), 76A(1) or (2) or 76P(1) by a body corporate must be a pecuniary penalty equal to:
- (a) if the alleged contravention is of a kind specified in the AML/CTF Rules under subsection (3)—the number of penalty units specified in the AML/CTF Rules in relation to that kind of contravention; or
 - (b) otherwise—60 penalty units.

Infringement notice—persons other than bodies corporate

- (2) The penalty to be specified in an infringement notice for an alleged contravention of subsection 51B(1), 51F(1), 53(2), 74(1), (1A), (1B) or (1C), 75M(1), 76A(1) or (2) or 76P(1) by a person other than a body corporate must be a pecuniary penalty equal to:
- (a) if the alleged contravention is of a kind specified in the AML/CTF Rules under subsection (3)—the number of penalty units specified in the AML/CTF Rules in relation to that kind of contravention; or
 - (b) otherwise—12 penalty units.

AML/CTF Rules may specify penalty units

- (3) For the purposes of paragraphs (1)(a) and (2)(a), the AML/CTF Rules may:
- (a) specify one or more kinds of alleged contraventions; and

- (b) for each kind of contravention—specify a particular number of penalty units that applies.
- (4) Without limiting the kinds of contraventions that may be specified in the AML/CTF Rules made under paragraph (3)(a), the contraventions may be described by reference to the following:
 - (a) whether an alleged contravention is one of a number of alleged contraventions of a provision covered by subsection (1) or (2) that is specified in a particular infringement notice;
 - (b) whether a person alleged to have contravened one or more provisions covered by subsection (1) or (2) has previously been given an infringement notice in relation to an alleged contravention of one or more of those provisions.
- (5) The number of penalty units specified in AML/CTF Rules made under paragraph (3)(b) in relation to a particular kind of contravention must not exceed:
 - (a) in the case of an alleged contravention by a body corporate—120 penalty units; or
 - (b) in the case of an alleged contravention by a person other than a body corporate—24 penalty units.

186B Amount of penalty—breaches of designated infringement notice provisions

- (1) The penalty to be specified in an infringement notice for an alleged contravention of a designated infringement notice provision by a body corporate must be a pecuniary penalty equal to 60 penalty units.
- (2) The penalty to be specified in an infringement notice for an alleged contravention of a designated infringement notice provision by a person other than a body corporate must be a pecuniary penalty equal to 12 penalty units.

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187 Withdrawal of an infringement notice

- (1) This section applies if an infringement notice is given to a person.
- (2) An authorised officer may, by written notice (the *withdrawal notice*) given to the person, withdraw the infringement notice.
- (3) To be effective, the withdrawal notice must be given to the person within 28 days after the infringement notice was given.

Refund of penalty if infringement notice withdrawn

- (4) If:
 - (a) the penalty specified in the infringement notice is paid; and
 - (b) the infringement notice is withdrawn after the penalty is paid;the Commonwealth is liable to refund the penalty.

188 What happens if the penalty is paid

- (1) This section applies if:
 - (a) an infringement notice relating to an alleged contravention of an infringement notice provision is given to a person; and
 - (b) the penalty is paid in accordance with the infringement notice; and
 - (c) the infringement notice is not withdrawn.
- (2) Any liability of the person for the alleged contravention is discharged.
- (3) Criminal proceedings, or section 175 proceedings, may not be brought against the person for the alleged contravention.

189 Effect of this Division on criminal and civil proceedings

This Division does not:

- (a) require an infringement notice to be given in relation to an alleged contravention of an infringement notice provision; or
- (b) affect the liability of a person to have:

- (i) criminal proceedings brought against the person for an alleged contravention of subsection 53(1), 74(2), (4), (6) or (8) or 76A(3), (5), (7) or (9); or
 - (ii) section 175 proceedings brought against the person for an alleged contravention of an infringement notice provision;
- if:
- (iii) the person does not comply with an infringement notice relating to the contravention; or
 - (iv) an infringement notice relating to the contravention is not given to the person; or
 - (v) an infringement notice relating to the contravention is given to the person and subsequently withdrawn; or
- (c) limit a court's discretion to determine the amount of a penalty to be imposed on a person who:
- (i) is found in criminal proceedings to have contravened subsection 53(1), 74(2), (4), (6) or (8) or 76A(3), (5), (7) or (9); or
 - (ii) is found in section 175 proceedings to have contravened an infringement notice provision.

Division 4—Monitoring of compliance

190 Monitoring of compliance

- (1) The AUSTRAC CEO is to monitor, and report to the Minister on, compliance by reporting entities with their obligations under this Act, the regulations and the AML/CTF Rules.
- (2) If:
 - (a) the AUSTRAC CEO has reasonable grounds to believe that a reporting entity has breached any of its obligations under this Act, the regulations or the AML/CTF Rules; and
 - (b) the AUSTRAC CEO is satisfied that the breach is relevant to the performance of the functions, or the exercise of the powers, of an Australian government body; and
 - (c) the AUSTRAC CEO has given the Minister a report about the breach;the AUSTRAC CEO may give the body a copy of that report.
- (2A) Subsection (1) does not require the AUSTRAC CEO to monitor, and report individually upon, each reporting entity that is registered under Part 6 of this Act, but the AUSTRAC CEO must monitor and report generally upon those reporting entities.
- (3) An action, suit or proceeding (whether criminal or civil) does not lie against:
 - (a) the Commonwealth; or
 - (b) the AUSTRAC CEO; or
 - (c) a member of the staff of AUSTRAC;in relation to any action taken under this section by way of:
 - (d) the giving of a report; or
 - (e) the giving of a copy of a report.
- (4) Subsection (2) does not limit section 125.

Division 5—Remedial directions

191 Remedial directions

- (1) This section applies if the AUSTRAC CEO is satisfied that a reporting entity has contravened, or is contravening, a civil penalty provision (other than subsection (4)).
 - (2) The AUSTRAC CEO may give the reporting entity a written direction requiring the reporting entity to do one or both of the following:
 - (a) to take specified action directed towards ensuring that the reporting entity does not contravene the civil penalty provision, or is unlikely to contravene the civil penalty provision, in the future;
 - (b) in the case of a contravention of subsection 43(2), 46(2) or (5), 46A(2) or 47(2)—to take specified action to remedy the contravention by giving the relevant report to the AUSTRAC CEO within a period specified in the direction.
 - (3) The following are examples of the kinds of direction that may be given to a reporting entity under paragraph (2)(a):
 - (a) a direction that the reporting entity implement effective administrative systems for monitoring compliance with a civil penalty provision;
 - (b) a direction that the reporting entity implement a system designed to give the reporting entity's officers, employees and agents a reasonable knowledge and understanding of the requirements of a civil penalty provision, in so far as those requirements affect the officers, employees or agents concerned.
- (3A) The AUSTRAC CEO:
- (a) must not act under paragraph (2)(b) if it appears to the AUSTRAC CEO that the contravention occurred more than 24 months before the day on which a direction would be issued; and

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- (b) must not act under paragraph (2)(b) unless the AUSTRAC CEO has:
 - (i) assessed the risks that have arisen in view of the contravention; and
 - (ii) determined that giving a direction under that paragraph is an appropriate and proportionate response in the circumstances.
- (4) A reporting entity must not contravene a direction under subsection (2).

Civil penalty

- (5) Subsection (4) is a civil penalty provision.

Remedial direction is not a legislative instrument

- (6) A direction under subsection (2) is not a legislative instrument.

Division 6—Injunctions

192 Injunctions

Restraining injunctions

- (1) If a person has engaged, is engaging or is proposing to engage, in any conduct in contravention of a civil penalty provision, the Federal Court may, on the application of the AUSTRAC CEO, grant an injunction:
 - (a) restraining the person from engaging in the conduct; and
 - (b) if, in the Court's opinion, it is desirable to do so—requiring the person to do something.

Performance injunctions

- (2) If:
 - (a) a person has refused or failed, or is refusing or failing, or is proposing to refuse or fail, to do an act or thing; and
 - (b) the refusal or failure was, is or would be a contravention of a civil penalty provision;the Federal Court may, on the application of the AUSTRAC CEO, grant an injunction requiring the person to do that act or thing.

193 Interim injunctions

Grant of interim injunction

- (1) If an application is made to the Federal Court for an injunction under section 192, the Court may, before considering the application, grant an interim injunction restraining a person from engaging in conduct of a kind mentioned in that section.

No undertakings as to damages

- (2) The Federal Court is not to require an applicant for an injunction under section 192, as a condition of granting an interim injunction, to give any undertakings as to damages.

194 Discharge etc. of injunctions

The Federal Court may discharge or vary an injunction granted under this Division.

195 Certain limits on granting injunctions not to apply

Restraining injunctions

- (1) The power of the Federal Court under this Division to grant an injunction restraining a person from engaging in conduct of a particular kind may be exercised:
 - (a) if the Court is satisfied that the person has engaged in conduct of that kind—whether or not it appears to the Court that the person intends to engage again, or to continue to engage, in conduct of that kind; or
 - (b) if it appears to the Court that, if an injunction is not granted, it is likely that the person will engage in conduct of that kind—whether or not the person has previously engaged in conduct of that kind and whether or not there is an imminent danger of substantial damage to any person if the person engages in conduct of that kind.

Performance injunctions

- (2) The power of the Federal Court to grant an injunction requiring a person to do an act or thing may be exercised:
 - (a) if the Court is satisfied that the person has refused or failed to do that act or thing—whether or not it appears to the Court that the person intends to refuse or fail again, or to continue to refuse or fail, to do that act or thing; or
 - (b) if it appears to the Court that, if an injunction is not granted, it is likely that the person will refuse or fail to do that act or thing—whether or not the person has previously refused or failed to do that act or thing and whether or not there is an imminent danger of substantial damage to any person if the person refuses or fails to do that act or thing.

196 Other powers of the Federal Court unaffected

The powers conferred on the Federal Court under this Division are in addition to, and not instead of, any other powers of the Court, whether conferred by this Act or otherwise.

FUTURE LAW COMPILATION

Division 7—Enforceable undertakings

197 Acceptance of undertakings

- (1) The AUSTRAC CEO may accept any of the following undertakings:
 - (a) a written undertaking given by a person that the person will, in order to comply with this Act, the regulations or the AML/CTF Rules, take specified action;
 - (b) a written undertaking given by a person that the person will, in order to comply with this Act, the regulations or the AML/CTF Rules, refrain from taking specified action;
 - (c) a written undertaking given by a person that the person will take specified action directed towards ensuring that the person does not contravene this Act, the regulations or the AML/CTF Rules, or is unlikely to contravene this Act, the regulations or the AML/CTF Rules, in the future.
- (2) The undertaking must be expressed to be an undertaking under this section.
- (3) The person may withdraw or vary the undertaking at any time, but only with the consent of the AUSTRAC CEO.
- (4) The AUSTRAC CEO may, by written notice given to the person, cancel the undertaking.
- (5) The AUSTRAC CEO may publish a copy of the undertaking on AUSTRAC's website, but the AUSTRAC CEO must delete from the copy information that the AUSTRAC CEO is satisfied:
 - (a) is commercial in confidence; or
 - (b) should not be released because it would be against the public interest to do so; or
 - (c) consists of personal details of an individual.
- (6) If:
 - (a) the AUSTRAC CEO publishes a copy of the undertaking on AUSTRAC's website; and

(b) the copy has information deleted from it;
the copy must include a note stating that information has been deleted.

198 Enforcement of undertakings

- (1) If:
- (a) a person has given an undertaking under section 197; and
 - (b) the undertaking has not been withdrawn or cancelled; and
 - (c) the AUSTRAC CEO considers that the person has breached the undertaking;
- the AUSTRAC CEO may apply to the Federal Court for an order under subsection (2).
- (2) If the Federal Court is satisfied that the person has breached the undertaking, the Court may make any or all of the following orders:
- (a) an order directing the person to comply with the undertaking;
 - (b) an order directing the person to pay to the Commonwealth an amount up to the amount of any financial benefit that the person has obtained directly or indirectly and that is reasonably attributable to the breach;
 - (c) any order that the Court considers appropriate directing the person to compensate any other person who has suffered loss or damage as a result of the breach;
 - (d) any other order that the Court considers appropriate.

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Division 8—Powers of questioning, search and arrest for cross-border movements of monetary instruments

199 Questioning and search powers in relation to monetary instruments

Person leaving Australia

- (1) A person who is:
- (a) about to leave Australia; or
 - (b) in an embarkation area for the purpose of leaving Australia; must, if required to do so by a police officer or a customs officer:
 - (c) declare whether or not the person has with him or her any monetary instruments; and
 - (d) declare the sum of the monetary instrument amounts for the monetary instruments that the person has with him or her; and
 - (e) declare whether or not, to the best of the person's knowledge and belief, a report under section 53 has been given in respect of any monetary instruments that the person has with him or her; and
 - (f) produce to the officer any monetary instruments that the person has with him or her.

Person arriving in Australia

- (2) A person who arrives in Australia must, if required to do so by a police officer or a customs officer:
- (a) declare whether or not the person has with him or her any monetary instruments; and
 - (b) declare the sum of the monetary instrument amounts for the monetary instruments that the person has with him or her; and
 - (c) declare whether or not, to the best of the person's knowledge and belief, a report under section 53 has been given in respect

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of any monetary instruments that the person has with him or her; and

- (d) produce to the officer any monetary instruments that the person has with him or her.

Officer may copy bearer negotiable instruments

- (2AA) If a person produces to a police officer or a customs officer under paragraph (1)(f) or (2)(d):

- (a) a bearer negotiable instrument; or
(b) a thing prescribed by the AML/CTF Rules for the purposes of paragraph (c) of the definition of **monetary instrument** in section 5 that is able to be copied;

the officer may make a copy of the instrument or thing. Once copied, the officer must return the instrument or thing to the person.

Person leaving or arriving in Australia—seizing monetary instrument

- (2A) A police officer or a customs officer may seize a monetary instrument produced to the officer under paragraph (1)(f) or (2)(d) if:

- (a) the police officer or customs officer has reasonable grounds to suspect that the monetary instrument may afford evidence as to the commission of an offence against section 53; or
(b) the police officer or customs officer has reasonable grounds to suspect that the monetary instrument may be of interest under subsection (14).

Powers of examination and search

- (3) A police officer or a customs officer may, with such assistance as is reasonable and necessary, examine an article which a person has with him or her if:
- (a) the person:
- (i) is about to leave Australia or has arrived in Australia; or

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Division 8 Powers of questioning, search and arrest for cross-border movements of monetary instruments

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- (ii) is about to board or leave, or has boarded or left, any ship or aircraft; and
- (b) either:
 - (i) the officer is seeking to find out whether the person has with him or her any monetary instrument in respect of which a report under section 53 is required; or
 - (ii) the officer has reasonable grounds to suspect that the person has with him or her any monetary instrument that may be of interest under subsection (14).
- (4) Either:
 - (a) a police officer; or
 - (b) a customs officer in respect of whom a declaration under section 219ZA of the *Customs Act 1901* is in force;may, with such assistance as is reasonable and necessary, search a person so long as:
 - (c) any of the following subparagraphs applies:
 - (i) the person is about to leave Australia;
 - (ii) the person has arrived in Australia;
 - (iii) the person is about to board or leave a ship or aircraft;
 - (iv) the person has boarded or left a ship or aircraft; and
 - (d) the officer has reasonable grounds to suspect that there is on the person, or in clothing being worn by the person:
 - (i) a monetary instrument in respect of which a report under section 53 is required; or
 - (ii) a monetary instrument that may be of interest under subsection (14).
- (5) A police officer or a customs officer may seize a monetary instrument found in the course of an examination or search under subsection (3) or (4) if:
 - (a) the police officer or customs officer has reasonable grounds to suspect that the monetary instrument may afford evidence as to the commission of an offence against section 53; or

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- (b) the police officer or customs officer has reasonable grounds to suspect that the monetary instrument may be of interest under subsection (14).
- (6) A person must not be searched under subsection (4) except by a person of the same sex.

Boarding of ships and aircraft

- (7) A police officer or a customs officer, and any person assisting a police officer or customs officer, may board a ship or aircraft for the purpose of exercising the powers conferred by subsection (1), (2), (3) or (4).
- (8) A police officer or a customs officer may, with such assistance as is reasonable and necessary:
 - (a) board a ship or aircraft; or
 - (b) examine or search the ship or aircraft, and any goods found on the ship or aircraft;for the purpose of finding out whether there is at or in the place, or in the goods:
 - (c) any monetary instrument in respect of which a report under section 53 is required; or
 - (d) any monetary instrument that may be of interest under subsection (14).

Entry to eligible places

- (9) A police officer or a customs officer may, with such assistance as is reasonable and necessary:
 - (a) go onto or enter any eligible place; and
 - (b) examine the place, and any goods found at or in it;for the purpose of finding out whether there is at or in the place, or in the goods:
 - (c) any monetary instrument in respect of which a report under section 53 is required; or

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- (d) any monetary instrument that may be of interest under subsection (14).

Seizure

- (10) A police officer or a customs officer may seize a monetary instrument found in the course of an examination or search under subsection (8) or (9) if:
- (a) the police officer or customs officer has reasonable grounds to suspect that the monetary instrument may afford evidence as to the commission of an offence against section 53; or
 - (b) the police officer or customs officer has reasonable grounds to suspect that the monetary instrument may be of interest under subsection (14).

Offence

- (11) A person commits an offence if:
- (a) the person is subject to a requirement under subsection (1) or (2); and
 - (b) the person engages in conduct; and
 - (c) the person's conduct breaches the requirement.

Penalty for contravention of this subsection: Imprisonment for 1 year or 60 penalty units, or both.

Civil penalty

- (12) If a person is subject to a requirement under subsection (1) or (2), the person must not engage in conduct that breaches the requirement.
- (13) Subsection (12) is a civil penalty provision.

Monetary instrument of interest

- (14) For the purposes of this section, a monetary instrument may be of interest if the monetary instrument:

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- (a) may be relevant to the investigation of, or prosecution of a person for, an offence against a law of the Commonwealth or of a State or Territory; or
- (b) may be of assistance in the enforcement of the *Proceeds of Crime Act 2002* or regulations under that Act; or
- (c) may be of assistance in the enforcement of a law of a State or Territory that corresponds to the *Proceeds of Crime Act 2002* or regulations under that Act.

201 Arrest without warrant

- (1) If a police officer or a customs officer has reasonable grounds to believe that a person has committed an offence against subsection 53(1), the officer may arrest the person without warrant.
- (2) If a police officer or a customs officer has reasonable grounds to believe that a person has assaulted any police officer or customs officer in the execution of that officer's duties under this Division, the first-mentioned officer may arrest the person without warrant.
- (3) A person commits an offence if:
 - (a) the person engages in conduct; and
 - (b) the conduct resists, obstructs or prevents the arrest of a person under this section.

Penalty: 10 penalty units.

- (4) Subsection (3) does not apply if the person has a reasonable excuse.

Note: A defendant bears an evidential burden in relation to the matter in subsection (4) (see subsection 13.3(3) of the *Criminal Code*).

Division 9—Notices to reporting entities

202 Notices to reporting entities

- (1) Each of the following persons is authorised to give notices under this section:
- (a) the AUSTRAC CEO;
 - (b) an authorised officer;
 - (c) the Commissioner of the Australian Federal Police;
 - (d) a Deputy Commissioner of the Australian Federal Police;
 - (e) a senior executive AFP employee (within the meaning of the *Australian Federal Police Act 1979*) who is:
 - (i) a member of the Australian Federal Police; and
 - (ii) authorised in writing by the Commissioner of the Australian Federal Police for the purposes of this section;
 - (f) the Chief Executive Officer of the Australian Crime Commission;
 - (g) an examiner of the Australian Crime Commission;
 - (h) an approved examiner (within the meaning of the *Proceeds of Crime Act 2002*).
- (2) If a person authorised by subsection (1) believes on reasonable grounds that another person is a reporting entity, the authorised person may give a written notice to the other person requiring the other person to give the authorised person any information, or produce to the authorised person any documents, relevant to any or all of the following:
- (a) determining whether the other person provides designated services at or through a permanent establishment of the other person in Australia;
 - (b) ascertaining details relating to any permanent establishment in Australia at or through which the other person provides designated services;

- (c) ascertaining details relating to designated services provided by the other person at or through a permanent establishment of the other person in Australia.
- (3) A person must not give a notice under subsection (2) unless the person reasonably believes that giving the notice is required:
 - (a) to determine whether to take any action under this Act; or
 - (b) in relation to proceedings under this Act.
- (4) A person must comply with a notice given to the person under subsection (2).
- (5) If:
 - (a) a person is given a notice under subsection (2) in relation to information or a document; and
 - (b) the person reasonably believes that the information or document is privileged from being given or produced on the ground of legal professional privilege;the person must give the AUSTRAC CEO an LPP form in relation to the information or document within the period specified in the notice.
- (6) Subsection (5) is a civil penalty provision.

Note: For other provisions dealing with legal professional privilege, see sections 242 and 242A.

203 Contents of notices to reporting entities

A notice given by a person to another person under subsection 202(2) must:

- (a) state that the first-mentioned person believes that the notice is required:
 - (i) to determine whether to take any action under this Act; or
 - (ii) in relation to proceedings under this Act; (as the case requires); and
- (b) specify the name of the other person; and

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- (c) specify the kind of information or documents required to be given or produced; and
- (d) specify the form and manner in which that information or those documents are to be given or produced; and
- (e) specify the period within which the information or documents must be given or produced; and
- (ea) set out the effect of subsections 202(5) and (6) (information or documents privileged from being given or produced on the ground of legal professional privilege); and
- (f) set out the effect of section 204 (breaching a requirement under a notice); and
- (g) if the notice specifies that information about the notice must not be disclosed—set out the effect of section 207 (disclosing existence or nature of a notice).

204 Breaching a notice requirement

A person commits an offence if:

- (a) the person is subject to a requirement under subsection 202(4); and
- (b) the person engages in conduct; and
- (c) the person's conduct breaches the requirement.

Penalty: Imprisonment for 6 months or 30 penalty units, or both.

205 Self-incrimination

- (1) A person is not excused from giving information or producing a document under section 202 on the ground that the information or the production of the document might tend to incriminate the person or expose the person to a penalty.
- (2) However:
 - (a) the information given or the document produced; or
 - (b) giving the information or producing the document;is not admissible in evidence against the person:
 - (c) in civil proceedings other than:

- (i) proceedings under this Act; or
- (ii) proceedings under the *Proceeds of Crime Act 2002* that relate to this Act; or
- (d) in criminal proceedings other than:
 - (i) proceedings for an offence against this Act; or
 - (ii) proceedings for an offence against the *Criminal Code* that relates to this Act.

206 Division 400 and Chapter 5 of the *Criminal Code*

If a person, or an officer, employee or agent of a person, provides information under a notice under subsection 202(2), the person, officer, employee or agent is taken, for the purposes of Division 400 and Chapter 5 of the *Criminal Code*, not to have been in possession of that information at any time.

207 Disclosing existence or nature of notice

- (1) A person commits an offence if:
 - (a) the person is given a notice under subsection 202(2); and
 - (b) the notice specifies that information about the notice must not be disclosed; and
 - (c) the person discloses the existence or nature of the notice.

Penalty: Imprisonment for 2 years or 120 penalty units, or both.

- (2) Subsection (1) does not apply to the disclosure of information by a reporting entity if the disclosure is to a legal practitioner (however described) for the purpose of obtaining legal advice.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2) (see subsection 13.3(3) of the *Criminal Code*).

- (3) Subsection (1) does not apply to the disclosure of information by a reporting entity if:
 - (a) the reporting entity is a member of a reporting group; and
 - (b) the disclosure is made to another member of the reporting group.

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Division 9 Notices to reporting entities

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Note: A defendant bears an evidential burden in relation to the matter in subsection (3) (see subsection 13.3(3) of the *Criminal Code*).

FUTURE LAW COMPILATION

Part 16—Administration

Division 1—Introduction

208 Simplified outline

The following is a simplified outline of this Part:

- AUSTRAC is continued in existence.
- There is to be a Chief Executive Officer of AUSTRAC.
- The AUSTRAC CEO's functions include the compilation and analysis of AUSTRAC information.
- The AUSTRAC CEO may arrange for the use of computer programs for any purposes for which the AUSTRAC CEO may take certain administrative action under this Act, the AML/CTF Rules or other instruments made under this Act.
- The AUSTRAC CEO may make AML/CTF Rules.

Division 2—Establishment and function of AUSTRAC

209 Establishment of AUSTRAC

- (1) The Australian Transaction Reports and Analysis Centre established under the repealed *Financial Transaction Reports Act 1988* continues in existence by force of this subsection, under and subject to the provisions of this Act.
- (2) The Australian Transaction Reports and Analysis Centre may also be known as AUSTRAC.
- (3) AUSTRAC consists of:
 - (a) the AUSTRAC CEO; and
 - (b) the staff of AUSTRAC.

Note: AUSTRAC does not have a legal identity separate from the Commonwealth.

- (4) For the purposes of the finance law (within the meaning of the *Public Governance, Performance and Accountability Act 2013*):
 - (a) AUSTRAC is a listed entity; and
 - (b) the AUSTRAC CEO is the accountable authority of AUSTRAC; and
 - (c) the following persons are officials of AUSTRAC:
 - (i) the AUSTRAC CEO;
 - (ii) the staff of AUSTRAC referred to in section 224;
 - (iii) consultants engaged under subsection 225(1);
 - (iv) persons whose services are made available to the AUSTRAC CEO under subsection 225(3); and
 - (d) the purposes of AUSTRAC include:
 - (i) the function of AUSTRAC referred to in section 210; and
 - (ii) the functions of the AUSTRAC CEO referred to in section 212.

210 Function of AUSTRAC

The function of AUSTRAC is to assist the AUSTRAC CEO in the performance of the AUSTRAC CEO's functions.

FUTURE LAW COMPILATION

Division 3—Chief Executive Officer of AUSTRAC

Subdivision A—Office and functions of the AUSTRAC CEO

211 AUSTRAC CEO

- (1) There is to be a Chief Executive Officer of AUSTRAC.
- (2) The Chief Executive Officer of AUSTRAC may also be known as the AUSTRAC CEO.
- (3) The office of Chief Executive Officer of AUSTRAC is, for all purposes, a continuation under that name of the office of Director of AUSTRAC established under the repealed *Financial Transaction Reports Act 1988*.
- (4) To avoid doubt, a reference in a law of the Commonwealth to the AUSTRAC CEO must, in relation to matters that occurred before the commencement of this section, be construed as a reference to the Director of AUSTRAC.

Note: See also section 25B of the *Acts Interpretation Act 1901*.

212 Functions of the AUSTRAC CEO

- (1) The functions of the AUSTRAC CEO are:
 - (a) to retain, compile, analyse and disseminate AUSTRAC information; and
 - (aa) to provide access to, and to share, AUSTRAC information to support domestic and international efforts to combat money laundering and terrorism financing and other serious crimes; and
 - (b) to provide advice and assistance, in relation to AUSTRAC information, to the persons and agencies who are authorised to access AUSTRAC information under Part 11; and
 - (c) to advise and assist reporting entities in relation to their obligations under this Act, the regulations and the AML/CTF Rules; and

- (d) to advise and assist the representatives of reporting entities in relation to compliance by reporting entities with this Act, the regulations and the AML/CTF Rules; and
- (da) to facilitate gaining access on a timely basis to the financial, administrative and law enforcement information that the AUSTRAC CEO requires to properly undertake the AUSTRAC CEO's financial intelligence functions; and
- (db) to establish such task forces as the AUSTRAC CEO considers appropriate; and
- (e) to promote compliance with this Act, the regulations and the AML/CTF Rules; and
- (ea) to assist in the development of government policy or to assist academic research; and
- (f) such other functions as are conferred on the AUSTRAC CEO by or under:
 - (i) this Act; or
 - (ii) the regulations; or
 - (iii) any other law of the Commonwealth; and
- (g) to do anything that is incidental or conducive to the performance of a function referred to in a preceding paragraph.

Note: The AUSTRAC CEO's other functions include:

- (a) monitoring compliance with this Act, the regulations and the AML/CTF Rules (see section 190); and
 - (b) making AML/CTF Rules (see section 229).
- (2) In performing the AUSTRAC CEO's functions, the AUSTRAC CEO must:
- (a) consult with the following:
 - (i) reporting entities or the representatives of reporting entities;
 - (ii) the Commissioner of the Australian Federal Police;
 - (iii) the Chief Executive Officer of the Australian Crime Commission;
 - (iv) the Commissioner of Taxation;
 - (v) the Comptroller-General of Customs;

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- (vi) the Information Commissioner in relation to matters that relate to the privacy functions (within the meaning of the *Australian Information Commissioner Act 2010*); and
 - (b) take into account any comments made in the course of those consultations.
- (3) In performing the AUSTRAC CEO's functions under this Act, the AUSTRAC CEO must have regard to the following:
 - (a) the integrity of the financial system;
 - (b) crime reduction;
 - (c) the desirability of ensuring that regulatory considerations are addressed in a way that does not impose unnecessary financial and administrative burdens on reporting entities;
 - (d) the desirability of adopting a risk-based approach;
 - (e) competitive neutrality;
 - (f) competition;
 - (g) economic efficiency;
 - (h) privacy;
 - (i) such other matters (if any) as the AUSTRAC CEO considers relevant.
- (3A) In considering an exemption or modification under or in relation to the operation of this Act that could reasonably be expected to have an impact on the risk associated with money laundering or the financing of terrorism as that risk applies to a designated service, the AUSTRAC CEO must be satisfied that the risk associated with the proposed exemption or modification is low.
- (4) In performing the AUSTRAC CEO's functions under this Act, the AUSTRAC CEO must have regard to:
 - (a) any relevant FATF Recommendations; and
 - (b) any relevant Conventions mentioned in subsection 3(3); and
 - (c) any relevant Resolutions mentioned in subsection 3(3).
- (5) Any failure to comply with the requirements of subsection (2), (3), (3A) or (4) in relation to the performance of a function of the

AUSTRAC CEO does not affect the validity of the performance of the function.

- (6) Subsection (5) does not apply in determining the constitutional validity of the performance of the AUSTRAC CEO's functions.

213 Policy principles

- (1) The Minister may give written policy principles to the AUSTRAC CEO about the performance of the AUSTRAC CEO's functions.
- (2) The Minister must cause a copy of the policy principles to be tabled in each House of the Parliament within 15 sitting days of that House after the day on which they were given to the AUSTRAC CEO.
- (3) The AUSTRAC CEO must comply with the policy principles (if any) when performing the AUSTRAC CEO's functions.
- (4) Policy principles are not legislative instruments.

Subdivision B—Appointment of the AUSTRAC CEO etc.

214 Appointment of the AUSTRAC CEO etc.

- (1) The AUSTRAC CEO is to be appointed by the Minister by written instrument.
- (2) The AUSTRAC CEO is to be appointed on a full-time basis.
- (3) The AUSTRAC CEO holds office for the period specified in the instrument of appointment. The period must not exceed 5 years.

Note: The AUSTRAC CEO may be reappointed: see section 33AA of the *Acts Interpretation Act 1901*.

215 Remuneration and allowances of the AUSTRAC CEO

- (1) The AUSTRAC CEO is to be paid the remuneration that is determined by the Remuneration Tribunal. If no determination of that remuneration by the Tribunal is in operation, the AUSTRAC

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CEO is to be paid the remuneration that is determined by the Minister.

- (2) The AUSTRAC CEO is to be paid the allowances that are prescribed.
- (3) This section has effect subject to the *Remuneration Tribunal Act 1973*.

216 Leave of absence of the AUSTRAC CEO

- (1) The AUSTRAC CEO has the recreation leave entitlements that are determined by the Remuneration Tribunal.
- (2) The Minister may grant the AUSTRAC CEO leave of absence, other than recreation leave, on the terms and conditions as to remuneration or otherwise that the Minister determines.

217 Resignation of the AUSTRAC CEO

The AUSTRAC CEO may resign his or her appointment by giving the Minister a written resignation.

219 Termination of the AUSTRAC CEO's appointment

Termination

- (1) The Minister may terminate the appointment of the AUSTRAC CEO for misbehaviour or physical or mental incapacity.
- (2) The Minister may terminate the appointment of the AUSTRAC CEO if:
 - (a) the AUSTRAC CEO:
 - (i) becomes bankrupt; or
 - (ii) applies to take the benefit of any law for the relief of bankrupt or insolvent debtors; or
 - (iii) compounds with his or her creditors; or
 - (iv) makes an assignment of his or her remuneration for the benefit of his or her creditors; or

- (b) the AUSTRAC CEO is absent from duty, except on leave of absence, for 14 consecutive days or for 28 days in any 12 months; or
- (c) the AUSTRAC CEO engages, except with the Minister's approval, in paid employment outside the duties of his or her office; or
- (d) the AUSTRAC CEO fails, without reasonable excuse, to comply with section 29 of the *Public Governance, Performance and Accountability Act 2013* (which deals with the duty to disclose interests) or rules made for the purposes of that section; or
- (e) the Minister is satisfied that the performance of the AUSTRAC CEO has been unsatisfactory for a significant period.

Conflict of interest

- (3) If the Minister becomes aware, whether because of a disclosure under section 29 of the *Public Governance, Performance and Accountability Act 2013* or otherwise, that the AUSTRAC CEO has an interest that could conflict with the proper performance of the AUSTRAC CEO's duties, the Minister must make a written determination either that the interest does, or that it does not, pose a significant risk of a conflict of interest.
- (4) If the Minister determines that the interest poses a significant risk, the Minister must require the AUSTRAC CEO to dispose of that interest within a period specified by the Minister.
- (5) If:
 - (a) the Minister requires the AUSTRAC CEO to dispose of an interest; and
 - (b) the AUSTRAC CEO refuses or fails to comply with that requirement;the Minister must terminate the appointment of the AUSTRAC CEO.

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220 Other terms and conditions

The AUSTRAC CEO holds office on the terms and conditions (if any) in relation to matters not covered by this Act that are determined by the Minister.

221 Acting appointments

The Minister may appoint a person to act as the AUSTRAC CEO:

- (a) during a vacancy in the office of AUSTRAC CEO (whether or not an appointment has previously been made to the office); or
- (b) during any period, or during all periods, when the AUSTRAC CEO is absent from duty or from Australia, or is, for any reason, unable to perform the duties of the office.

Note: For rules that apply to acting appointments, see section 33A of the *Acts Interpretation Act 1901*.

222 Delegation by the AUSTRAC CEO

- (1) The AUSTRAC CEO may, by writing, delegate any or all of his or her functions or powers to a member of the staff of AUSTRAC.

Note: For variation and revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.

- (2) In performing functions and exercising powers under the delegation, the delegate must comply with any directions of the AUSTRAC CEO.

Note: See sections 34AA to 34A of the *Acts Interpretation Act 1901*.

223 Secretary may require the AUSTRAC CEO to give information

Information

- (1) The Secretary may, by written notice given to the AUSTRAC CEO, require the AUSTRAC CEO to:
 - (a) prepare a document setting out specified information relating to the performance of the AUSTRAC CEO's functions; and

- (b) give a copy of the document to the Secretary within the period specified in the notice.

Compliance with requirement

- (2) The AUSTRAC CEO must comply with a requirement under subsection (1).

FUTURE LAW COMPILATION

Division 4—Staff of AUSTRAC etc.

224 Staff of AUSTRAC

- (1) The staff of AUSTRAC are persons engaged under the *Public Service Act 1999*.
- (2) For the purposes of the *Public Service Act 1999*:
 - (a) the AUSTRAC CEO and the staff of AUSTRAC together constitute a Statutory Agency; and
 - (b) the AUSTRAC CEO is the Head of that Statutory Agency.

225 Consultants and persons seconded to AUSTRAC

- (1) The AUSTRAC CEO may, on behalf of the Commonwealth, engage consultants to perform services for AUSTRAC in connection with the performance of any of the AUSTRAC CEO's functions.
- (2) The terms and conditions of engagement of persons engaged under subsection (1) are such as the AUSTRAC CEO determines in writing.
- (3) The AUSTRAC CEO may also be assisted:
 - (a) by officers and employees of Agencies (within the meaning of the *Public Service Act 1999*); or
 - (b) by officers and employees of authorities of the Commonwealth; or
 - (c) by members of the Australian Federal Police; or
 - (d) by officers and employees of a State or Territory; or
 - (e) by officers and employees of authorities of a State or Territory; or
 - (f) by members of the police force or police service of a State or Territory; or
 - (g) by persons with suitable qualifications and experience who are officers, or employees, of some other body or organisation (whether located within or outside Australia);

whose services are made available to the AUSTRAC CEO in connection with the performance of any of the AUSTRAC CEO's functions.

FUTURE LAW COMPILATION

Division 6—Directions by Minister

228 Directions by Minister

- (1) The Minister may give the AUSTRAC CEO a written direction about policies the AUSTRAC CEO should pursue, or priorities the AUSTRAC CEO should follow, in performing any of the AUSTRAC CEO's functions.
- (2) The Minister must not give a direction under subsection (1) about a particular case.
- (3) The AUSTRAC CEO must comply with a direction under subsection (1).
- (4) A direction under subsection (1) is not a legislative instrument.
- (5) The Minister must cause a copy of each direction under subsection (1) to be tabled in each House of the Parliament within 15 sitting days of that House after giving the direction.

Division 6A—AUSTRAC CEO may use computers to take administrative action

228A AUSTRAC CEO may use computers to take administrative action

- (1) The AUSTRAC CEO may, in writing, arrange for the use, under the AUSTRAC CEO's control, of computer programs for any purposes for which the AUSTRAC CEO may or must take administrative action under a provision prescribed by the AML/CTF Rules for the purposes of this subsection.
- (2) The AML/CTF Rules may prescribe a provision for the purposes of subsection (1) if the provision is any of the following:
 - (a) a provision of Part 3A of this Act (Reporting Entities Roll);
 - (b) a provision of Part 6 of this Act (the Remittance Sector Register);
 - (c) a provision of Part 6A of this Act (the Virtual Asset Service Provider Register);
 - (d) a provision of the AML/CTF Rules made for the purposes of a provision of this Act mentioned in paragraph (a), (b) or (c) of this subsection;
 - (e) a provision of an instrument made under a provision of this Act mentioned in paragraph (a), (b) or (c) of this subsection.
- (3) The AUSTRAC CEO must take reasonable steps to ensure that administrative action taken by the operation of a computer program under such an arrangement is consistent with the objects of this Act.
- (4) Administrative action taken by the operation of a computer program under such an arrangement is, for the purposes of this Act, the AML/CTF Rules and any other instrument made under this Act, taken to be administrative action taken by the AUSTRAC CEO.

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Substituted decisions

- (5) The AUSTRAC CEO may substitute a decision for a decision the AUSTRAC CEO is taken to have made under subsection (4) if the AUSTRAC CEO is satisfied that the decision made by the operation of the computer program is not the correct or preferable decision.
- (6) The AUSTRAC CEO does not have a duty to consider whether to exercise the power under subsection (5) in respect of any decision, whether the AUSTRAC CEO is requested to do so by an applicant or by any other person, or in any other circumstances.
- (7) To avoid doubt, if:
 - (a) the AUSTRAC CEO is taken under subsection (4) to have made a decision under a provision of this Act, the AML/CTF Rules or an instrument made under this Act (the **original provision**); and
 - (b) the AUSTRAC CEO substitutes a decision (the **substitute decision**) under subsection (5) for that decision;then, for the purposes of this Act, the AML/CTF Rules and any other instrument made under this Act, the AUSTRAC CEO is taken to have made the substitute decision under the original provision.

Arrangement not a legislative instrument

- (8) An arrangement made under subsection (1) is not a legislative instrument.

Meaning of administrative action

- (9) Each of the following constitutes taking **administrative action**:
 - (a) making a decision;
 - (b) exercising any power or complying with any obligation;
 - (c) doing anything else related to making a decision or exercising a power or complying with an obligation.

Division 7—AML/CTF Rules

229 AML/CTF Rules

- (1) The AUSTRAC CEO may, by writing, make rules (the *AML/CTF Rules*) prescribing matters required or permitted by any other provision of this Act to be prescribed by the AML/CTF Rules.

Note 1: *AML/CTF Rules* is short for Anti-Money Laundering/Counter-Terrorism Financing Rules.

Note 2: For amendment and repeal, see subsection 33(3) of the *Acts Interpretation Act 1901*.

- (2) AML/CTF Rules are legislative instruments.

Ministerial directions with respect to the making of AML/CTF Rules

- (3) The Minister may give the AUSTRAC CEO a written direction about the exercise of the powers conferred on the AUSTRAC CEO by subsection (1).
- (4) The AUSTRAC CEO must comply with a direction under subsection (3).

Part 17—Vicarious liability

230 Simplified outline

The following is a simplified outline of this Part:

- This Part deals with the proof of matters that involve employees, agents etc.

231 Criminal liability of corporations

Part 2.5 of the *Criminal Code* has effect, in relation to an offence against this Act, as if each reference in that Part to a body corporate were a reference to a corporation.

232 Civil liability of corporations

State of mind

- (1) If, in a civil proceeding under, or arising out of, this Act in respect of conduct engaged in by a corporation, it is necessary to establish the state of mind of the corporation, it is sufficient to show that:
 - (a) a director, employee or agent of the corporation engaged in that conduct; and
 - (b) the director, employee or agent was, in engaging in that conduct, acting within the scope of his or her actual or apparent authority; and
 - (c) the director, employee or agent had that state of mind.

Conduct

- (2) If:
 - (a) conduct is engaged in on behalf of a corporation by a director, employee or agent of the corporation; and
 - (b) the conduct is within the scope of his or her actual or apparent authority;

the conduct is taken, for the purposes of a civil proceeding under, or arising out of, this Act, to have been engaged in by the corporation unless the corporation proves that it took reasonable precautions and exercised due diligence to avoid the conduct.

233 Liability of persons other than corporations

State of mind

- (1) If, in criminal or civil proceedings under, or arising out of, this Act in respect of conduct engaged in by a person other than a corporation, it is necessary to establish the state of mind of the person, it is sufficient to show that:
 - (a) the conduct was engaged in by an employee or agent of the person within the scope of his or her actual or apparent authority; and
 - (b) the employee or agent had that state of mind.

Conduct

- (2) If:
 - (a) conduct is engaged in on behalf of a person other than a corporation by an employee or agent of the person; and
 - (b) the conduct is within the employee's or agent's actual or apparent authority;

the conduct is taken, for the purposes of criminal or civil proceedings under, or arising out of, this Act, to have been engaged in by the person unless the person proves that the person took reasonable precautions and exercised due diligence to avoid the conduct.

Limitation on imprisonment

- (3) Despite any other provision of this Act, if:
 - (a) a person is convicted of an offence; and
 - (b) the person would not have been convicted of the offence if subsections (1) and (2) had not been in force;

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the person is not liable to be punished by imprisonment for that offence.

FUTURE LAW COMPILATION

Part 17A—Review of decisions

233A Simplified outline

The following is a simplified outline of this Part:

- Certain decisions of delegates of the AUSTRAC CEO may be reviewed by the Administrative Review Tribunal following a process of internal reconsideration by the AUSTRAC CEO.
- Certain decisions of the AUSTRAC CEO may be reviewed by the Administrative Review Tribunal.

233B Reviewable decisions

For the purposes of this Act, each of the following decisions of the AUSTRAC CEO is a **reviewable decision**:

Reviewable decisions

Item	Decision
1	A decision under subsection 75B(6) or section 75C to refuse to register a person as: (a) a remittance network provider; or (b) an independent remittance dealer; or (c) a remittance affiliate of a registered remittance network provider.
2	A decision under section 75E to impose conditions to which a person's registration is subject.
3	A decision under section 75G to cancel a person's registration.
3A	A decision under subsection 76D(4) or section 76E to refuse to register a person as a virtual asset service provider.
3B	A decision under section 76G to impose conditions to which a person's registration is subject.
3C	A decision under section 76J to cancel a person's registration.

Section 233C

Reviewable decisions

Item	Decision
4	A decision under subsection 161(2) to require certain things of a reporting entity.
5	A decision under subparagraph 161(2)(d)(ii) not to allow a longer period.
6	A decision under subsection 191(2) to give a reporting entity a direction.
7	A decision that is declared by the AML/CTF Rules under paragraph 75H(2)(g), 75J(2)(f), 76K(2)(f) or 76L(2)(f) to be a reviewable decision for the purposes of this section.

233C Giving notice of reviewable decisions

- (1) The AUSTRAC CEO must, as soon as practicable after a reviewable decision is made in relation to one or more persons, give a written notice to each of the persons containing:
 - (a) the terms of the decision; and
 - (b) for a decision under section 75G or 76J to cancel a person's registration—the date the cancellation takes effect; and
 - (c) the reasons for the decision; and
 - (d) a statement setting out particulars of the persons' right to have the decision reviewed under this Part.

Note: An example of a reviewable decision made in relation to 2 persons is a decision refusing to register a person as a remittance affiliate of a registered remittance network provider, if the provider applied under subsection 75B(2) for that person to be so registered.

- (2) Subsection (1) does not apply to reviewable decisions taken to be made because of the operation of subsection 75B(6) or 76D(4) (about deemed refusals).

233D Applications for reconsideration of decisions made by delegates of the AUSTRAC CEO

- (1) This section applies to a reviewable decision if the decision is made by a delegate of the AUSTRAC CEO.

Section 233E

Note: Reviewable decisions made by the AUSTRAC CEO personally may be reviewed by the Administrative Review Tribunal (see paragraph 233F(b)).

- (2) A person affected by a reviewable decision who is dissatisfied with the decision may apply to the AUSTRAC CEO for the decision to be reconsidered.
- (3) The application must:
 - (a) be in the approved form; and
 - (b) contain the information required by the AML/CTF Rules; and
 - (c) be made within:
 - (i) 30 days after the applicant is informed of the decision; or
 - (ii) such longer period as the AUSTRAC CEO (whether before or after the end of the 30 day period) allows.
- (4) An approved form of an application may provide for verification by statutory declaration of statements in applications.

233E Reconsideration of reviewable decisions

- (1) Upon receiving an application under section 233D, the AUSTRAC CEO must reconsider the reviewable decision.
- (2) The AUSTRAC CEO must:
 - (a) affirm, vary or revoke the reviewable decision; and
 - (b) if the AUSTRAC CEO revokes the reviewable decision, make such other decision (if any) as the AUSTRAC CEO thinks appropriate.
- (3) The AUSTRAC CEO's reconsideration must be done by the AUSTRAC CEO personally, or by a person to whom the AUSTRAC CEO's power under this section is delegated who:
 - (a) was not involved in making the reviewable decision; and
 - (b) occupies a position in AUSTRAC that is senior to that occupied by any person involved in making the reviewable decision.

Section 233F

- (4) The AUSTRAC CEO must, as soon as practicable after making a decision under subsection (2), give written notice to the applicant of:
 - (a) the decision; and
 - (b) if the decision is to cancel a person's registration—the date the cancellation takes effect; and
 - (c) the reasons for the decision; and
 - (d) a statement setting out particulars of the applicant's right to have the decision reviewed by the Administrative Review Tribunal.
- (5) A decision of the AUSTRAC CEO under subsection (2) has effect (except for the purposes of section 233B) as if it were made under the provision under which the reviewable decision was made.

233F Review by the Administrative Review Tribunal

An application may be made to the Administrative Review Tribunal for review of:

- (a) a decision of the AUSTRAC CEO under subsection 233E(2);
or
- (b) a reviewable decision made by the AUSTRAC CEO personally.

233G Failure to comply does not affect validity

A failure to comply with subsection 233C(1) or 233E(4) (about giving notice) in relation to a decision does not affect the validity of the decision.

Part 17B—Exemptions

233H Simplified outline

The following is a simplified outline of this Part:

- This Part provides that certain provisions of this Act do not apply to certain persons, or in certain circumstances.

233J Exemption—Reserve Bank of Australia

The following provisions of this Act do not apply to the Reserve Bank of Australia:

- (a) Part 1A;
- (b) Divisions 2 to 7 (other than section 39) of Part 2;
- (c) Divisions 3 to 6 (other than section 49) of Part 3;
- (d) Parts 4, 5 and 8;
- (e) Divisions 3 to 6 of Part 10;
- (f) section 236B.

233K Exemption—operating no more than 15 gaming machines

Scope

- (1) This section applies to a reporting entity if:
 - (a) the reporting entity and any related entity (within the meaning of the *Corporations Act 2001*) that is a reporting entity have a total entitlement under licences issued by one or more States or Territories to operate no more than 15 gaming machines; and
 - (b) the reporting entity and any related entity (within the meaning of the *Corporations Act 2001*) that is a reporting entity only provide one or more designated services covered by any of the following:
 - (i) item 5 of table 3 in section 6;

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- (ii) item 6 of table 3 in section 6;
- (iii) item 8 of table 3 in section 6;
- (iv) item 9 of table 3 in section 6;
- (v) item 10 of table 3 in section 6; and
- (c) the provision of any designated services referred to in subparagraph (b)(ii), (iii) or (iv) involves a game played on a gaming machine.

Exemption

- (2) The following provisions of the Act do not apply to the reporting entity:
 - (a) Part 1A;
 - (b) Divisions 2 to 6 of Part 2;
 - (c) sections 37 and 38 of Division 7 of Part 2;
 - (d) section 43;
 - (e) section 45;
 - (f) Division 5 of Part 3;
 - (g) Part 5;
 - (h) Division 1 of Part 10;
 - (i) sections 109 and 110;
 - (j) Divisions 3 to 7 of Part 10;
 - (k) section 236B.

Part 18—Miscellaneous**234 Simplified outline**

The following is a simplified outline of this Part:

- Proceedings do not lie against a person in relation to anything done, or omitted to be done, in compliance, or in purported compliance, with a requirement under this Act, the regulations or the AML/CTF Rules.
- In proceedings for a contravention of this Act or the regulations, it is a defence if the defendant proves that the defendant took reasonable precautions, and exercised due diligence, to avoid the contravention.
- There is a defence to a contravention of certain civil penalty provisions relating to the law of a foreign country preventing compliance.
- Provision is made in relation to how this Act applies to reporting groups.
- Partnerships, trusts and unincorporated associations are to be treated as persons for the purposes of this Act.
- This Act is not intended to affect the concurrent operation of State and Territory laws.
- This Act does not affect the law relating to legal professional privilege.
- A contravention of this Act does not affect the validity of any transaction.
- Provision is made in relation to the making of reports to the AUSTRAC CEO etc.

Section 235

- Provision is made in relation to the performance of non-judicial functions by magistrates.
- This Act does not apply to a designated service specified in the AML/CTF Rules.
- The AUSTRAC CEO may exempt a person from this Act, or modify the application of this Act to a person.
- There is to be a review of the operation of this Act.
- The Governor-General may make regulations for the purposes of this Act.

235 Protection from liability

- (1) An action, suit or proceeding (whether criminal or civil) does not lie against:
 - (a) a person (the *first person*); or
 - (b) an officer, employee or agent of the first person acting in the course of his or her office, employment or agency;in relation to anything done, or omitted to be done, in good faith by the first person, officer, employee or agent:
 - (c) in complying with subsection 28(1) or 30(1); or
 - (d) in fulfilment, or purported fulfilment, of a requirement under this Act not to commence to provide a designated service, or not to continue to provide a designated service; or
 - (e) in compliance, or in purported compliance, with any other requirement under:
 - (i) this Act; or
 - (ii) the regulations; or
 - (iii) the AML/CTF Rules.
- (2) Subsection (1) does not apply to the following proceedings:
 - (a) criminal proceedings for an offence against this Act or the regulations;

- (b) section 175 proceedings for a contravention of a civil penalty provision;
- (c) proceedings under the *Proceeds of Crime Act 2002* that relate to this Act.

236 Defence of taking reasonable precautions, and exercising due diligence, to avoid a contravention

Scope

- (1) This section applies to the following proceedings:
 - (a) criminal proceedings for an offence against the regulations;
 - (b) section 175 proceedings for a contravention of a civil penalty provision;
 - (c) proceedings under the *Proceeds of Crime Act 2002* that relate to this Act.

Defence

- (2) In the proceedings, it is a defence if the defendant proves that the defendant took reasonable precautions, and exercised due diligence, to avoid the contravention in respect of which the proceedings were instituted.

Note: In criminal proceedings, a defendant bears a legal burden in relation to the matters in subsection (2)—see section 13.4 of the *Criminal Code*.

236A Defence of law of foreign country preventing compliance

- (1) A reporting entity does not contravene a civil penalty provision in Part 1A or 2 if:
 - (a) the reporting entity provides a designated service at or through a permanent establishment in a foreign country; and
 - (b) a law of the foreign country that applies in the place where the permanent establishment is located prevents the reporting entity from complying with that civil penalty provision; and

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- (c) before the conduct alleged to constitute the contravention occurs, the reporting entity has given written notice, in the approved form, to the AUSTRAC CEO of those facts; and
 - (d) at the time the conduct alleged to constitute the contravention occurs, the reporting entity is taking reasonable steps to ensure that the reporting entity is appropriately identifying, assessing, managing and mitigating any additional risk of money laundering, terrorism financing or proliferation financing associated with being prevented from complying with that civil penalty provision.
- (2) A person who wishes to rely on subsection (1) bears a legal burden in relation to that matter.

236B Application of this Act in relation to reporting groups

Designated services of reporting group taken to be provided by lead entity for certain purposes

- (1) Subsection (2) applies if a reporting entity (the *ordinary member*) that is a member of a reporting group but is not the lead entity of the reporting group proposes to provide, commences to provide, or provides, a designated service.
- (2) For the purposes of Parts 1A, 2, 3A and 10, and Division 9 of Part 15, the lead entity is also taken to have proposed to provide, commenced to provide, or provided, as the case requires, the designated service in the same circumstances as those in which the service is proposed to be provided, is commenced to have been provided, or is provided, by the ordinary member.

Note: In relation to the application of Part 1A to reporting groups, see also section 26U (business of a lead entity of a reporting group).
- (3) For the purposes of subsection (2), the same circumstances include:
 - (a) that a permanent establishment of the ordinary member is taken to be a permanent establishment of the lead entity; and
 - (b) that the lead entity is taken to provide the designated service in the same capacity as the ordinary member; and

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- (c) that the lead entity is taken to have received any information communicated either directly or indirectly by AUSTRAC to the ordinary member that identifies or assesses the risks associated with the ordinary member's provision of the designated service; and
 - (d) a circumstance specified by the AML/CTF Rules.
- (4) Subsection (3) does not limit subsection (2).

Discharge of obligations by members of a reporting group

- (5) If:
- (a) a reporting entity is a member of a reporting group; and
 - (b) an obligation is imposed on the reporting entity by a provision of this Act, the regulations or the AML/CTF Rules; and
 - (c) such other conditions (if any) as are specified in the AML/CTF Rules are satisfied; and
 - (d) the obligation is not of a kind, or does not arise in circumstances, specified in the AML/CTF Rules;
- the obligation may be discharged by any other member of the reporting group.

Note: The member who discharges the obligation need not be a reporting entity.

Contraventions of civil penalty provisions by members of reporting groups

- (6) A civil penalty provision that would otherwise be contravened only by a reporting entity that is:
- (a) a member of a reporting group; and
 - (b) not the lead entity of the reporting group;
- is taken to have been contravened by both the reporting entity and the lead entity.

Section 237

237 Treatment of partnerships

- (1) This Act applies to a partnership as if it were a person, but with the changes set out in this section.
 - (2) An obligation that would otherwise be imposed on the partnership by this Act is imposed on each partner instead, but may be discharged by any of the partners.
 - (3) An offence against this Act that would otherwise be committed by the partnership is taken to have been committed by each partner.
 - (4) A partner does not commit an offence because of subsection (3) if the partner:
 - (a) does not know of the circumstances that constitute the contravention of the provision concerned; or
 - (b) knows of those circumstances but takes all reasonable steps to correct the contravention as soon as possible after the partner becomes aware of those circumstances.
- Note: A defendant bears an evidential burden in relation to the matters in subsection (4)—see subsection 13.3(3) of the *Criminal Code*.
- (5) This section applies to a breach of a civil penalty provision in a corresponding way to the way in which it applies to an offence.

238 Treatment of unincorporated associations

- (1) This Act applies to an unincorporated association as if it were a person, but with the changes set out in this section.
- (2) An obligation that would otherwise be imposed on the association by this Act is imposed on each member of the association's committee of management instead, but may be discharged by any of the members.
- (3) An offence against this Act that would otherwise be committed by the association is taken to have been committed by each member of the association's committee of management.

- (4) A member of the association's committee of management does not commit an offence because of subsection (3) if the member:
- (a) does not know of the circumstances that constitute the contravention of the provision concerned; or
 - (b) knows of those circumstances but takes all reasonable steps to correct the contravention as soon as possible after the member becomes aware of those circumstances.

Note: A defendant bears an evidential burden in relation to the matters in subsection (4)—see subsection 13.3(3) of the *Criminal Code*.

- (5) This section applies to a breach of a civil penalty provision in a corresponding way to the way in which it applies to an offence.

239 Treatment of trusts with multiple trustees

- (1) If a trust has 2 or more trustees, this Act applies to the trust as if it were a person, but with the changes set out in this section.

Note: A trust is a person for the purposes of this Act (see the definition of *person* in section 5).

- (2) An obligation that would otherwise be imposed on the trust by this Act is imposed on each trustee instead, but may be discharged by any of the trustees.
- (3) An offence against this Act that would otherwise be committed by the trust is taken to have been committed by each trustee.
- (4) A trustee does not commit an offence because of subsection (3) if the trustee:
- (a) does not know of the circumstances that constitute the contravention of the provision concerned; or
 - (b) knows of those circumstances but takes all reasonable steps to correct the contravention as soon as possible after the trustee becomes aware of those circumstances.

Note: A defendant bears an evidential burden in relation to the matters in subsection (4)—see subsection 13.3(3) of the *Criminal Code*.

- (5) This section applies to a breach of a civil penalty provision in a corresponding way to the way in which it applies to an offence.
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Section 240

240 Concurrent operation of State and Territory laws

This Act is not intended to exclude or limit the operation of a law of a State or Territory that is capable of operating concurrently with this Act.

241 Act not to limit other powers

- (1) This Act does not limit any power that a person has, under any other law, to obtain information.
- (2) This Act does not limit any power that a customs officer or police officer has under any other law.

242 Legal professional privilege

- (1) Nothing in this Act affects the right of a person to refuse to give information (including by answering a question) or produce a document if:
 - (a) the information would be privileged from being given on the ground of legal professional privilege; or
 - (b) the document would be privileged from being produced on the ground of legal professional privilege.
- (2) The fact that a person has provided a description of information or documents that may be or are privileged from being given or produced on the ground of legal professional privilege does not, of itself, amount to a waiver of the privilege.

242A Guidelines in relation to legal professional privilege

- (1) The Minister may, by notifiable instrument, make guidelines in relation to making or dealing with claims or assertions of legal professional privilege in relation to information or documents required to be given under or for the purposes of this Act.
- (2) Without limiting subsection (1), the guidelines may deal with the following matters:

Section 243

- (a) arrangements for making or dealing with claims or assertions of legal professional privilege in relation to the exercise of other powers under this Act, including the use of LPP forms;
 - (b) facilitating the resolution of disputes in relation to legal professional privilege.
- (3) Before making guidelines under subsection (1), the Minister must consult with such persons (if any) as the Minister considers appropriate.

243 Validity of transactions

A contravention of this Act, the regulations or the AML/CTF Rules does not affect the validity of any transaction.

244 Reports to the AUSTRAC CEO etc.

- (1) A report to the AUSTRAC CEO by a person under this Act, or a report to a customs officer or a police officer by a person under section 53 or 54, must be:
- (a) signed by the person; or
 - (b) otherwise authenticated by the person in an approved way.
- (2) A report to the AUSTRAC CEO by a person under this Act must be given to the AUSTRAC CEO:
- (a) in the manner set out in section 28A of the *Acts Interpretation Act 1901*; or
 - (b) in such other manner and form as is approved in relation to the person or to a class of persons that includes the person.
- (3) This section does not affect the operation of the *Electronic Transactions Act 1999*.

Section 245

245 Arrangements with Governors of States etc.

States

- (1) The Governor-General may make arrangements with the Governor of a State with respect to the administration of this Act, including arrangements for the performance of the functions of a magistrate under this Act by a magistrate of that State.
- (2) The Governor-General may arrange with the Governor of a State with whom an arrangement is in force under subsection (1) for the variation or revocation of the arrangement.

Australian Capital Territory

- (3) The Governor-General may make arrangements with the Chief Minister of the Australian Capital Territory with respect to the administration of this Act, including arrangements for the performance of the functions of a magistrate under this Act by a magistrate of the Australian Capital Territory.
- (4) The Governor-General may arrange with the Chief Minister of the Australian Capital Territory for the variation or revocation of an arrangement in force under subsection (3).

Northern Territory

- (5) The Governor-General may make arrangements with the Administrator of the Northern Territory with respect to the administration of this Act, including arrangements for the performance of the functions of a magistrate under this Act by a magistrate of the Northern Territory.
- (6) The Governor-General may arrange with the Administrator of the Northern Territory for the variation or revocation of an arrangement in force under subsection (5).
- (9) A copy of each instrument by which an arrangement under this section is made, varied or revoked is to be published in the *Gazette*.

Legislation Act 2003

- (10) An instrument by which an arrangement under this section is made, varied or revoked is not a legislative instrument.

246 This Act does not limit other information-gathering powers

This Act does not limit:

- (a) any power conferred on the Commissioner of Taxation, by any other law, to obtain information; or
- (b) any power conferred on any other person or body, by any other law, to obtain information.

247 General exemptions

- (1) This Act does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (2) The AML/CTF Rules may provide that a specified provision of this Act does not apply to a designated service that is of a kind specified in the AML/CTF Rules.
- (3) This Act does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.
- (4) The AML/CTF Rules may provide that a specified provision of this Act does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.

248 Exemptions and modifications by the AUSTRAC CEO

- (1) The AUSTRAC CEO may, by written instrument:
 - (a) exempt a specified person from one or more specified provisions of this Act; or
 - (b) declare that this Act applies in relation to a specified person as if one or more specified provisions of this Act were modified as specified in the declaration.
- (2) An exemption may apply:

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- (a) unconditionally; or
 - (b) subject to specified conditions.
- (3) A person to whom a condition specified in an exemption applies must comply with the condition.
- (4) Subsection (3) is a civil penalty provision.
- (5) A copy of an exemption or declaration must be made available on AUSTRAC's website.
- (6) If conduct engaged in by a person would not have constituted:
- (a) an offence; or
 - (b) a contravention of a civil penalty provision:
- if a particular declaration under paragraph (1)(b) had not been made, that conduct does not constitute an offence or a contravention of a civil penalty provision unless, before the conduct occurred:
- (c) a copy of the declaration was made available on AUSTRAC's website; or
 - (d) the AUSTRAC CEO gave the person a copy of the declaration.
- In a prosecution for an offence to which this subsection applies, the prosecution must prove that paragraph (c) or (d) was complied with before the conduct occurred.
- (7) An instrument under subsection (1) is not a legislative instrument.

249 Specification by class

To avoid doubt, a reference in this Act to a class or kind of matter or thing does not, by implication, affect the application of:

- (a) subsection 13(3) of the *Legislation Act 2003*; or
- (b) subsection 33(3AB) of the *Acts Interpretation Act 1901*.

250 Schedule 1 (alternative constitutional basis)

Schedule 1 has effect.

251 Review of operation of Act

- (1) Before the end of the period of 7 years after the commencement of this section, the Minister must cause to be conducted a review of the operation of this Act, the regulations and the AML/CTF Rules.
- (2) The Minister must cause to be prepared a report of the review under subsection (1).
- (3) The Minister must cause copies of the report to be tabled in each House of the Parliament within 15 sittings days of that House after the completion of the preparation of the report.

252 Regulations

- (1) The Governor-General may make regulations prescribing matters:
 - (a) required or permitted to be prescribed by this Act; or
 - (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.

Penalties

- (2) The regulations may prescribe penalties for offences against the regulations. A penalty must not be more than 50 penalty units.

Fees

- (3) The regulations may make provision for and in relation to fees payable in respect of the performance of a function, or the exercise of a power, by the AUSTRAC CEO.
- (4) A fee must not be such as to amount to taxation.
- (5) A fee is payable to the Commonwealth.

Schedule 1—Alternative constitutional basis

Note: See section 250.

1 Alternative constitutional basis

- (1) Without limiting its effect apart from this clause, this Act also has effect as provided by this clause.

Limited types of designated services

- (2) This Act also has the effect it would have if subclause (3) had not been enacted and each reference in this Act to a designated service were, by express provision, confined to a designated service where:
- (a) the designated service consists of:
 - (i) issuing a bill of exchange or a promissory note; or
 - (ii) in the capacity of agent of a person, acquiring or disposing of a bill of exchange, or a promissory note, on behalf of the person; or
 - (b) both:
 - (i) the provision of the designated service involves a transaction; and
 - (ii) the transaction involves the transfer of physical currency from one person to another; or
 - (c) the customer of the designated service is a constitutional corporation; or
 - (d) the designated service is provided by a constitutional corporation; or
 - (e) the designated service is provided in the course of, or in relation to, any of the following:
 - (i) trade or commerce between Australia and places outside Australia;
 - (ii) trade or commerce among the States;
 - (iii) trade or commerce within a Territory, between a State and a Territory or between 2 Territories;

- (iv) the supply of goods or services to the Commonwealth or an authority or instrumentality of the Commonwealth; or
- (f) the designated service is provided in the course of, or in relation to, banking to which paragraph 51(xiii) of the Constitution applies; or
- (g) the designated service is provided in the course of, or in relation to, insurance to which paragraph 51(xiv) of the Constitution applies; or
- (h) the designated service is provided using a postal, telegraphic, telephonic or other like service (within the meaning of paragraph 51(v) of the Constitution); or
- (i) the designated service is provided:
 - (i) in a Territory; or
 - (ii) in a Commonwealth place; or
 - (iii) in a foreign country; or
- (j) the designated service is provided by a person:
 - (i) at or through a permanent establishment of the person in a Territory; or
 - (ii) at or through a permanent establishment of the person in a Commonwealth place; or
 - (iii) at or through a permanent establishment of the person in a foreign country.

Note: See also subclause (6) (extended meaning of *permanent establishment*).

Administration and enforcement of taxation laws and other laws

- (3) This Act also has the effect it would have if:
 - (a) subclause (2) had not been enacted; and
 - (b) this Act did not apply except to the extent to which it:
 - (i) facilitates the administration or enforcement of taxation laws; or
 - (ii) facilitates the administration or enforcement of laws of the Commonwealth or of the Territories (other than taxation laws).

Clause 1

Cross-border movements of bearer negotiable instruments

- (4) Division 2 of Part 4 and section 199, so far as they relate to a monetary instrument that is a bearer negotiable instrument, also have the effect they would have if they were, by express provision, confined to a bearer negotiable instrument that is:
- (a) a bill of exchange; or
 - (b) a promissory note.

Correspondent banking

- (5) Part 8 and section 117 also have the effect they would have if:
- (a) each reference in section 95 to another person were, by express provision, confined to another person that is:
 - (i) a constitutional corporation; or
 - (ii) an individual who is physically present in a foreign country; and
 - (b) each reference in section 95 or 96 to another financial institution were, by express provision, confined to another financial institution that is:
 - (i) a constitutional corporation; or
 - (ii) an individual who is physically present in a foreign country.

Extended meaning of permanent establishment

- (6) For the purposes of paragraph (2)(j) of this clause:
- (a) subsection 21(2) has effect as if each reference in that subsection to a country included a reference to:
 - (i) a Territory; and
 - (ii) a Commonwealth place; and
 - (b) ignore subsection 21(3).

Endnotes

Endnote 1—About the endnotes

The endnotes provide information about this compilation and the compiled law.

The following endnotes are included in every compilation:

Endnote 1—About the endnotes

Endnote 2—Abbreviation key

Endnote 3—Legislation history

Endnote 4—Amendment history

Abbreviation key—Endnote 2

The abbreviation key sets out abbreviations that may be used in the endnotes.

Legislation history and amendment history—Endnotes 3 and 4

Amending laws are annotated in the legislation history and amendment history.

The legislation history in endnote 3 provides information about each law that has amended (or will amend) the compiled law. The information includes commencement details for amending laws and details of any application, saving or transitional provisions that are not included in this compilation.

The amendment history in endnote 4 provides information about amendments at the provision (generally section or equivalent) level. It also includes information about any provision of the compiled law that has been repealed in accordance with a provision of the law.

Editorial changes

The *Legislation Act 2003* authorises First Parliamentary Counsel to make editorial and presentational changes to a compiled law in preparing a compilation of the law for registration. The changes must not change the effect of the law. Editorial changes take effect from the compilation registration date.

If the compilation includes editorial changes, the endnotes include a brief outline of the changes in general terms. Full details of any changes can be obtained from the Office of Parliamentary Counsel.

Misdescribed amendments

A misdescribed amendment is an amendment that does not accurately describe how an amendment is to be made. If, despite the misdescription, the amendment

Endnotes

Endnote 1—About the endnotes

can be given effect as intended, then the misdescribed amendment can be incorporated through an editorial change made under section 15V of the *Legislation Act 2003*.

If a misdescribed amendment cannot be given effect as intended, the amendment is not incorporated and “(md not incorp)” is added to the amendment history.

FUTURE LAW COMPILATION

Endnote 2—Abbreviation key

ad = added or inserted	o = order(s)
am = amended	Ord = Ordinance
amdt = amendment	orig = original
c = clause(s)	par = paragraph(s)/subparagraph(s) /sub-subparagraph(s)
C[x] = Compilation No. x	pres = present
Ch = Chapter(s)	prev = previous
def = definition(s)	(prev...) = previously
Dict = Dictionary	Pt = Part(s)
disallowed = disallowed by Parliament	r = regulation(s)/rule(s)
Div = Division(s)	reloc = relocated
ed = editorial change	renum = renumbered
exp = expires/expired or ceases/ceased to have effect	rep = repealed
F = Federal Register of Legislation	rs = repealed and substituted
gaz = gazette	s = section(s)/subsection(s)
LA = <i>Legislation Act 2003</i>	Sch = Schedule(s)
LIA = <i>Legislative Instruments Act 2003</i>	Sdiv = Subdivision(s)
(md) = misdescribed amendment can be given effect	SLI = Select Legislative Instrument
(md not incorp) = misdescribed amendment cannot be given effect	SR = Statutory Rules
mod = modified/modification	Sub-Ch = Sub-Chapter(s)
No. = Number(s)	SubPt = Subpart(s)
	<u>underlining</u> = whole or part not commenced or to be commenced

Endnotes

Endnote 3—Legislation history

Endnote 3—Legislation history

Act	Number and year	Assent	Commencement	Application, saving and transitional provisions
Anti-Money Laundering and Counter-Terrorism Financing Act 2006	169, 2006	12 Dec 2006	s 1 and 2: 12 Dec 2006 (s 2(1) item 1) ss. 27–35, 37–39, 80–93, 111–114 and 116: 12 Dec 2007 (s 2(1) items 3, 5, 10, 14, 16) ss. 36, 40–46 and 49–51: 12 Dec 2008 (s 2(1) items 4, 6, 8) s 47, 48, 94–100 and 117: 12 June 2007 (s 2(1) items 7, 11, 17) Remainder: 13 Dec 2006 (s 2(1) items 2, 9, 12, 13, 15, 18–20)	
Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2007	52, 2007	12 Apr 2007	Sch 1 (items 2–13, 15–19, 21–52, 66–68): 13 Apr 2007 (s 2(1) items 2, 4, 6, 6B, 8) Sch 1 (item 14): 12 Dec 2008 (s 2(1) item 3) Sch 1 (item 20): 12 Dec 2007 (s 2(1) item 5)	Sch 1 (items 66–68)
Financial Sector Legislation Amendment (Simplifying Regulation and Review) Act 2007	154, 2007	24 Sept 2007	Sch 1 (items 156, 157): 1 Jan 2008 (s 2(1) item 3) Sch 1 (item 296): 24 Sept 2007 (s 2(1) item 6)	Sch 1 (item 296)
First Home Saver Accounts (Consequential Amendments) Act 2008	45, 2008	25 June 2008	Sch 3 (items 1–4): 26 June 2008 (s 2)	—
Statute Law Revision Act 2008	73, 2008	3 July 2008	Sch 1 (item 5): 13 Dec 2006 (s 2(1) item 6)	—

Endnote 3—Legislation history

Act	Number and year	Assent	Commencement	Application, saving and transitional provisions
First Home Saver Accounts (Further Provisions) Amendment Act 2008	92, 2008	30 Sept 2008	Sch 1 (items 1, 26): 1 Oct 2008 (s 2(1) item 2)	Sch 1 (item 26)
Customs Legislation Amendment (Name Change) Act 2009	33, 2009	22 May 2009	Sch 2 (item 5): 23 May 2009 (s 2)	—
Crimes Legislation Amendment (Serious and Organised Crime) Act (No. 2) 2010	4, 2010	19 Feb 2010	Sch 5 (items 25–36): 20 Feb 2010 (s 2(1) item 9)	Sch 5 (items 29, 31, 36)
Statute Law Revision Act 2010	8, 2010	1 Mar 2010	Sch 5 (items 4–9, 137(a)): 1 Mar 2010 (s 2(1) items 31, 38)	—
Freedom of Information Amendment (Reform) Act 2010	51, 2010	31 May 2010	Sch 5 (item 1) and Sch 7: 1 Nov 2010 (s 2(1) item 7)	Sch 7
Trade Practices Amendment (Australian Consumer Law) Act (No. 2) 2010	103, 2010	13 July 2010	Sch 6 (items 1, 21–23, 157, 158): 1 Jan 2011 (s 2(1) items 3, 7)	—
National Security Legislation Amendment Act 2010	127, 2010	24 Nov 2010	Sch 10 (items 2, 3): 25 Nov 2010 (s 2(1) item 16)	—
Tax Laws Amendment (Confidentiality of Taxpayer Information) Act 2010	145, 2010	16 Dec 2010	Sch 2 (items 3, 4, 123(1)): 17 Dec 2010 (s 2(1) item 2)	Sch 2 (item 123(1))
Law and Justice Legislation Amendment (Identity Crimes and Other Measures) Act 2011	3, 2011	2 Mar 2011	Sch 4: 3 Mar 2011 (s 2(1) item 4)	Sch 4 (item 8)

Endnotes

Endnote 3—Legislation history

Act	Number and year	Assent	Commencement	Application, saving and transitional provisions
Human Services Legislation Amendment Act 2011	32, 2011	25 May 2011	Sch 4 (items 47–49): 1 July 2011 (s 2(1) item 2)	—
Acts Interpretation Amendment Act 2011	46, 2011	27 June 2011	Sch 2 (items 67–72) and Sch 3 (items 10, 11): 27 Dec 2011 (s 2(1) items 3, 12)	Sch 3 (items 10, 11)
Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy (Consequential Amendments) Act 2011	56, 2011	28 June 2011	Sch 1 and 2: 1 Nov 2011 (s 2(1) items 2–4) Remainder: 28 June 2011 (s 2(1) item 1)	s 4 and Sch 2 (item 7)
Combating the Financing of People Smuggling and Other Measures Act 2011	60, 2011	28 June 2011	Sch 1 (items 1–11, 14–48, 53–57): 1 Nov 2011 (s 2(1) items 2, 4, 6) Sch 1 (items 12, 13, 49–52, 58), Sch 2 and Sch 3 (items 1–10): 28 June 2011 (s 2(1) items 3, 5, 7–10)	Sch. 1 (items 49–58)
Carbon Credits (Consequential Amendments) Act 2011	102, 2011	15 Sept 2011	Sch 1 (items 1–4): 8 Dec 2011 (s 2(1) item 2)	—
Inspector-General of Intelligence and Security Amendment Act 2011	118, 2011	14 Oct 2011	Sch 2: 15 Oct 2011 (s 2(1) item 2)	—
Clean Energy (Consequential Amendments) Act 2011	132, 2011	18 Nov 2011	Sch 1 (items 1–3): 2 Apr 2012 (s 2(1) item 2)	—
Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012	169, 2012	3 Dec 2012	Sch 2 (items 149, 150): 3 Dec 2012 (s 2(1) item 7)	—

Endnote 3—Legislation history

Act	Number and year	Assent	Commencement	Application, saving and transitional provisions
Privacy Amendment (Enhancing Privacy Protection) Act 2012	197, 2012	12 Dec 2012	Sch 5 (items 9, 10, 102–127) and Sch 6 (items 1, 15–19): 12 Mar 2014 (s 2(1) items 3, 16, 19)	Sch 6 (items 1, 15–19)
Crimes Legislation Amendment (Law Enforcement Integrity, Vulnerable Witness Protection and Other Measures) Act 2013	74, 2013	28 June 2013	Sch 1 (items 1–3) and Sch 4 (items 1–33): 29 June 2013 (s 2(1) items 2, 5) Sch 4 (item 34): 12 Mar 2014 (s 2(1) item 6)	Sch 1 (item 3) and Sch 4 (item 33)
Statute Law Revision Act (No. 1) 2014	31, 2014	27 May 2014	Sch 1 (item 4), Sch 4 (item 92) and Sch 8 (item 4): 24 June 2014 (s 2(1) items 2, 9)	—
Clean Energy Legislation (Carbon Tax Repeal Act) 2014	83, 2014	17 July 2014	Sch 1 (items 10–12, 331): 1 July 2014 (s 2(1) items 2, 3)	Sch 1 (item 331)
National Security Legislation Amendment Act (No. 1) 2014	108, 2014	2 Oct 2014	Sch 7 (items 58–66, 144, 145): 3 Oct 2014 (s 2(1) items 3, 5)	Sch 7 (items 144, 145)
Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014	116, 2014	3 Nov 2014	Sch 1 (items 2–8): 1 Dec 2014 (s 2(1) item 2)	Sch 1 (items 4, 8)
Crimes Legislation Amendment (Psychoactive Substances and Other Measures) Act 2015	12, 2015	5 Mar 2015	Sch 6 (items 1A–1E): 6 Mar 2015 (s 2(1) item 7)	Sch 6 (item 1E)
Customs and Other Legislation Amendment (Australian Border Force) Act 2015	41, 2015	20 May 2015	Sch 5 (items 5, 6) and Sch 6 (items 3–10) and Sch 9: 1 July 2015 (s 2(1) items 2, 7)	Sch 5 (item 6), Sch 6 (item 10) and Sch 9

Endnotes

Endnote 3—Legislation history

Act	Number and year	Assent	Commencement	Application, saving and transitional provisions
as amended by				
Australian Border Force Amendment (Protected Information) Act 2017	115, 2017	30 Oct 2017	Sch 1 (item 26): 1 July 2015 (s 2(1) item 2)	—
Norfolk Island Legislation Amendment Act 2015	59, 2015	26 May 2015	Sch 2 (item 56): 1 July 2016 (s 2(1) item 5) Sch 2 (items 356–396): 18 June 2015 (s 2(1) item 6)	Sch 2 (items 356–396)
as amended by				
Territories Legislation Amendment Act 2016	33, 2016	23 Mar 2016	Sch 2 (items 1–3): 24 Mar 2016 (s 2(1) item 2)	—
Tax and Superannuation Laws Amendment (2015 Measures No. 1) Act 2015	70, 2015	25 June 2015	Sch 1 (items 4–7, 195–205) 1 July 2015 (s 2(1) items 3, 6)	Sch 1 (items 195–205)
Acts and Instruments (Framework Reform) (Consequential Provisions) Act 2015	126, 2015	10 Sept 2015	Sch 1 (items 24–31): 5 Mar 2016 (s 2(1) item 2)	—
Foreign Acquisitions and Takeovers Legislation Amendment Act 2015	150, 2015	25 Nov 2015	Sch 4 (items 1, 12): 1 Dec 2015 (s 2(1) item 4)	Sch 4 (item 12)
Crimes Legislation Amendment (Powers, Offences and Other Measures) Act 2015	153, 2015	26 Nov 2015	Sch 10: 27 Nov 2015 (s 2(1) item 2)	Sch 10 (item 4)
Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Act 2016	15, 2016	29 Feb 2016	Sch 4: 1 Mar 2016 (s 2(1) item 2)	Sch 4 (item 5)

Endnote 3—Legislation history

Act	Number and year	Assent	Commencement	Application, saving and transitional provisions
Law Enforcement Legislation Amendment (State Bodies and Other Measures) Act 2016	86, 2016	30 Nov 2016	Sch 1 (items 1, 56–58): 1 Dec 2016 (s 2(1) items 2, 4) Sch 1 (items 42, 43, 54, 55): 1 July 2017 (s 2(1) item 3)	Sch 1 (items 1, 43, 54–58)
Public Governance and Resources Legislation Amendment Act (No. 1) 2017	92, 2017	23 Aug 2017	Sch 1 (item 1), Sch 2 (items 1–4) and Sch 4: 23 Aug 2017 (s 2(1) item 1)	Sch 4
Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2017	130, 2017	13 Dec 2017	Sch 1 (items 1–55, 58–85): 3 Apr 2018 (s 2(1) item 1)	Sch 1 (item 64)
Intelligence Services Amendment (Establishment of the Australian Signals Directorate) Act 2018	25, 2018	11 Apr 2018	Sch 1 (items 36–43, 100–108): 1 July 2018 (s 2(1) item 2)	Sch 1 (items 100–108)
Home Affairs and Integrity Agencies Legislation Amendment Act 2018	31, 2018	9 May 2018	Sch 1 (items 1–3) and Sch 2 (items 26, 284): 11 May 2018 (s 2(1) items 2, 3, 7)	Sch 2 (item 284)
Crimes Legislation Amendment (International Crime Cooperation and Other Measures) Act 2018	34, 2018	22 May 2018	Sch 9: 23 May 2018 (s 2(1) item 11)	Sch 9 (items 5, 7)
Statute Update (Autumn 2018) Act 2018	41, 2018	22 May 2018	Sch 2 (item 1): 19 June 2018 (s 2(1) item 4)	—
Corporations Amendment (Asia Region Funds Passport) Act 2018	61, 2018	29 June 2018	Sch 2 (items 1–5): 18 Sept 2018 (s 2(1) item 2)	—

Endnotes

Endnote 3—Legislation history

Act	Number and year	Assent	Commencement	Application, saving and transitional provisions
Office of National Intelligence (Consequential and Transitional Provisions) Act 2018	156, 2018	10 Dec 2018	Sch 2 (items 4–14) and Sch 4: 20 Dec 2018 (s 2(1) items 2, 4)	Sch 2 (item 14) and Sch 4
Services Australia Governance Amendment Act 2020	104, 2020	20 Nov 2020	Sch 1 (items 11, 12, 66): 1 Feb 2020 (s 2(1) item 2)	Sch 1 (item 66)
Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Act 2020	133, 2020	17 Dec 2020	Sch 1 (items 1–63, 65, 66): 17 June 2021 (s 2(1) item 2) Sch 1 (items 67–118, 123): 17 June 2022 (s 2(1) item 3)	Sch 1 (items 10, 17, 18, 37, 65, 66, 123)
National Anti-Corruption Commission (Consequential and Transitional Provisions) Act 2022	89, 2022	12 Dec 2022	Sch 1 (items 4–10) and Sch 2 (items 1, 20): 1 July 2023 (s 2(1) items 2, 3)	Sch 2 (items 1, 20)
Crimes and Other Legislation Amendment (Omnibus) Act 2023	63, 2023	13 Sept 2023	Sch 1 (items 1–3): 11 Oct 2023 (s 2(1) item 2) Sch 1 (items 4–9): 14 Sept 2023 (s 2(1) item 3)	Sch 1 (item 3) and Sch 1 (item 6)
Statute Law Amendment (Prescribed Forms and Other Updates) Act 2023	74, 2023	20 Sept 2023	Sch 4 (items 4–7): 18 Oct 2023 (s 2(1) item 3)	—
Treasury Laws Amendment (2023 Law Improvement Package No. 1) Act 2023	76, 2023	20 Sept 2023	Sch 2 (items 620–622): 20 Oct 2023 (s 2(1) item 2)	—

Endnote 3—Legislation history

Act	Number and year	Assent	Commencement	Application, saving and transitional provisions
Administrative Review Tribunal (Consequential and Transitional Provisions No. 1) Act 2024	38, 2024	31 May 2024	Sch 6 (item 8): 14 Oct 2024 (s (2) item 2)	—

Number and year	Registration	Commencement	Application, saving and transitional provisions
2, 2008	30 Jan 2008 (F2008L00137)	31 Jan 2008 (r 2)	—

Endnotes

Endnote 4—Amendment history

Endnote 4—Amendment history

Provision affected	How affected
Part 1	
s 3.....	am No 8, 2010; No 130, 2017
s 4.....	am No 60, 2011; No 130, 2017; No 133, 2020
s 5.....	am No 52, 2007; No 154, 2007; No 45, 2008; No 92, 2008; No 33, 2009; No 4, 2010; No 8, 2010; No 103, 2010; No 32, 2011; No 56, 2011; No 60, 2011; No 102, 2011; No 118, 2011; No 132, 2011; No 169, 2012; No 197, 2012; No 74, 2013; No 31, 2014; No 83, 2014; No 108, 2014; No 116, 2014; No 12, 2015; No 41, 2015; No 70, 2015; No 126, 2015; No 15, 2016; No 86, 2016; No 130, 2017; No 25, 2018; No 31, 2018; No 34, 2018; No 41, 2018; No 61, 2018; No 156, 2018; No 104, 2020; No 133, 2020 (amdt never applied (Sch 1 par 44(d))); No 89, 2022; No 63, 2023; No 76, 2023
s 6.....	am No 52, 2007; SLI 2008 No 2; No 45, 2008; No 4, 2010; No 103, 2010; No 60, 2011; No 102, 2011; No 132, 2011; No 169, 2012; No 83, 2014; No 70, 2015; No 126, 2015; No 130, 2017; No 61, 2018
s 10.....	am No 4, 2010
s 12.....	am No 31, 2014
s 19.....	am No 130, 2017
s 22.....	am No 15, 2016 rs No 133, 2020
Part 2	
Division 4	
s 32.....	rs No 133, 2020
s 33.....	am No 126, 2015
s 34.....	am No 133, 2020
Division 5	
s 35.....	am No 133, 2020
Division 5A	
Division 5A.....	ad No 60, 2011
s 35A.....	ad No 60, 2011

Endnote 4—Amendment history

Provision affected	How affected
	am No 197, 2012
s 35B	ad No 60, 2011
	am No 197, 2012
s 35C	ad No 60, 2011
	am No 197, 2012
s 35D	ad No 60, 2011
	rs No 197, 2012
s 35E	ad No 60, 2011
	am No 197, 2012
s 35F	ad No 60, 2011
	am No 197, 2012
s 35G	ad No 60, 2011
	am No 197, 2012
s 35H	ad No 60, 2011
s 35J	ad No 60, 2011
s 35K	ad No 60, 2011
s 35L	ad No 60, 2011
	rs No 197, 2012
Division 6	
s 36	am No 60, 2011
Division 7	
s 37	am No 60, 2011; No 133, 2020
s 37A	ad No 133, 2020
s 37B	ad No 133, 2020
s 38	rs No 133, 2020
Part 3	
Division 2	
s 41	am No 126, 2015
s 42	am No 52, 2007; No 60, 2011
Division 3	
s 44	am No 60, 2011

Endnotes

Endnote 4—Amendment history

Provision affected	How affected
Division 4	
s 46.....	am No 4, 2010
Division 6	
s 49.....	am No 60, 2011; No 41, 2015; No 89, 2022
s 49A.....	ad No 60, 2011
s 50A.....	ad No 133, 2020
Part 3A	
Part 3A.....	ad No 56, 2011
s 51A.....	ad No 56, 2011
s 51B.....	ad No 56, 2011
	am No 63, 2023
s 51C.....	ad No 56, 2011
s 51D.....	ad No 56, 2011
s 51E.....	ad No 56, 2011
s 51F.....	ad No 56, 2011
s 51G.....	ad No 56, 2011
Part 4	
Part 4 heading.....	rs No 133, 2020
Division 1	
Division 1.....	rs No 133, 2020
s 52.....	rs No 133, 2020
Division 2	
Division 2.....	rs No 133, 2020
s 53.....	am No 34, 2018
	rs No 133, 2020
s 54.....	am No 34, 2018
	rs No 133, 2020
s 55.....	rs No 133, 2020
s 56.....	rs No 133, 2020
s 57.....	rs No 133, 2020
s 58.....	rep No 133, 2020

Endnote 4—Amendment history

Provision affected	How affected
Division 3.....	rep No 133, 2020
s 59.....	am No 4, 2010
	rep No 133, 2020
s 60.....	rep No 133, 2020
Division 4	
s 61.....	am No 3, 2011; No 41, 2015
s 62.....	am No 3, 2011
Part 5	
Division 3	
s 66.....	am No 52, 2007
Division 4	
s 67.....	am No 52, 2007
s 71.....	am No 52, 2007
Part 6	
Part 6 heading.....	rs No 60, 2011
Division 1	
Division 1 heading	ad No 60, 2011
s 73.....	am No 60, 2011; No 74, 2013
Division 2	
Division 2 heading	ad No 60, 2011
s 74.....	am No 60, 2011
Division 3	
Division 3.....	ad No 60, 2011
s 75.....	rs No 60, 2011
s 75A.....	ad No 60, 2011
s 75B.....	ad No 60, 2011
	am No 74, 2013; No 153, 2015
s 75C.....	ad No 60, 2011
	am No 74, 2013; No 130, 2017
s 75D.....	ad No 60, 2011
s. 75E.....	ad. No. 60, 2011

Endnotes

Endnote 4—Amendment history

Provision affected	How affected
	am. No. 74, 2013; No 130, 2017
s. 75F.....	ad. No. 60, 2011
s. 75G.....	ad. No. 60, 2011
	am. No. 74, 2013; No 130, 2017
s. 75H.....	ad. No. 60, 2011
ss. 75J–75N.....	ad. No. 60, 2011
s. 75P.....	ad. No. 60, 2011
Division 4 heading	rep. No. 74, 2013
Division 4.....	ad. No. 60, 2011
s. 75Q.....	ad. No. 60, 2011
	am. No. 74, 2013
s. 75R	ad. No. 60, 2011
	rep. No. 74, 2013
s. 75S.....	ad. No. 60, 2011
	rep. No. 74, 2013
Division 5	
Division 5.....	ad. No. 60, 2011
s. 75T	ad. No. 60, 2011
Part 6A	
Part 6A.....	ad No 130, 2017
Division 1	
s 76.....	rep No 60, 2011
	ad No 130, 2017
Division 2	
s 76A.....	ad No 130, 2017
Division 3	
s 76B	ad No 130, 2017
s 76C	ad No 130, 2017
s 76D.....	ad No 130, 2017
s 76E	ad No 130, 2017
s 76F.....	ad No 130, 2017

Endnote 4—Amendment history

Provision affected	How affected
s 76G.....	ad No 130, 2017
s 76H.....	ad No 130, 2017
s 76J.....	ad No 130, 2017
s 76K.....	ad No 130, 2017
s 76L.....	ad No 130, 2017
s 76M.....	ad No 130, 2017
s 76N.....	ad No 130, 2017
s 76P.....	ad No 130, 2017
s 76Q.....	ad No 130, 2017
s 76R.....	ad No 130, 2017
s 76S.....	ad No 130, 2017
Division 4	
s 76T.....	ad No 130, 2017
s 77–79.....	rep No 60, 2011
s 79A.....	ad No 52, 2007 rep No 60, 2011
Part 7	
Division 3	
s 84.....	am No 60, 2011
s 85.....	am No 52, 2007
s 90.....	am No 126, 2015
s 91.....	am No 126, 2015
Part 8	
s 94.....	rs No 133, 2020
s 95.....	rs No 133, 2020
s 96.....	rs No 133, 2020
s 97.....	am No 130, 2017 rep No 133, 2020
s 98.....	am No 130, 2017 rep No 133, 2020
s 99.....	am No 130, 2017

Endnotes

Endnote 4—Amendment history

Provision affected	How affected
	rep No 133, 2020
Part 9	
s 102.....	am No 126, 2015
s 103.....	am No 126, 2015
Part 10	
Division 1	
s 104.....	am No 133, 2020
Division 3	
Division 3 heading	rs No 133, 2020
s 114.....	rs No 133, 2020
s 114A.....	ad No 133, 2020
Division 6	
Division 6 heading	rs No 133, 2020
s 117.....	am No 133, 2020
Part 11	
Division 1	
Division 1.....	rs No 133, 2020
s 120.....	rs No 133, 2020
Division 2	
Division 2.....	rs No 133, 2020
s 121.....	am No 74, 2013; No 116, 2014
	rs No 133, 2020
	am No 89, 2022
s 122.....	am No 116, 2014; No 12, 2015; No 41, 2015; No 15, 2016
	rep No 133, 2020
Division 3	
Division 3 heading	rs No 133, 2020
s 123.....	am No 52, 2007; No 4, 2010; No 60, 2011; No 74, 2013; No 130, 2017; No 133, 2020
s 124.....	am No 3, 2011; No 133, 2020

Endnote 4—Amendment history

Provision affected	How affected
Division 4	
Division 4.....	rs No 133, 2020
s 125.....	am No 145, 2010; No 150, 2015
	rs No 133, 2020
s 126.....	am No 197, 2012
	rs No 133, 2020
	am No 63, 2023
Division 5	
Division 5 heading	ad No 133, 2020
s 127.....	am No 52, 2007; No 60, 2011; No 74, 2013
	rs No 133, 2020
Division 6	
Division 6 heading	ad No 133, 2020
s 128.....	am No 52, 2007; No 127, 2010; No 3, 2011; No 60, 2011; No 108, 2014; No 31, 2018
	ed C43
	am No 25, 2018; No 156, 2018
	rs No 133, 2020
s 129.....	rs No 133, 2020
s 130.....	am No 73, 2008; No 3, 2011; No 74, 2013
	rep No 133, 2020
s 131.....	am No 3, 2011
	rep No 133, 2020
s 132.....	rep No 133, 2020
s 133.....	rep No 133, 2020
s 133A.....	ad No 52, 2007
	rep No 133, 2020
s 133B.....	ad No 60, 2011
	rep No 133, 2020
s 133BA.....	ad No 25, 2018
	rep No 133, 2020

Endnotes

Endnote 4—Amendment history

Provision affected	How affected
s 133C	ad No 60, 2011 am No 156, 2018 rep No 133, 2020
Division 7	
Division 5 heading	rs and renum No 133, 2020
Division 7 heading (prev Division 5 heading)	
s 134.....	rs No 133, 2020
Part 12	
s. 136.....	am. No. 52, 2007; No. 74, 2013
s. 137.....	am. No. 52, 2007; No. 74, 2013
s. 139.....	am. No. 52, 2007; No. 74, 2013
s. 140.....	am. No. 52, 2007
s. 141.....	am. No. 52, 2007
s 142.....	am No 130, 2017
s 143.....	am No 133, 2020
Part 13	
Division 2	
s 145.....	am No 52, 2007; No 74, 2013
Division 7	
s. 161	am. No. 74, 2013
s. 164.....	am. No. 46, 2011
s. 164A.....	ad. No. 52, 2007 rep. No. 74, 2013
Part 14	
s. 167	am. No. 60, 2011
s 169.....	am No 153, 2015
Part 15	
Division 1	
s 173.....	am No 133, 2020

Endnote 4—Amendment history

Provision affected	How affected
Division 3	
Division 3 heading	rs. No. 60, 2011
s 184.....	am No 56, 2011; No 60, 2011; No 130, 2017; No 133, 2020; No 74, 2023
s 185.....	am No 60, 2011; No 133, 2020
s 186.....	am No 60, 2011 rep No 133, 2020
s 186A.....	ad No 60, 2011 am No 56, 2011; No 130, 2017; No 133, 2020
s 186B.....	ad No 130, 2017
s 188.....	am No 60, 2011
s 189.....	am No 60, 2011; No 130, 2017; No 133, 2020
Division 4	
s. 190.....	am. No. 60, 2011; No 133, 2020
Division 5	
s. 191.....	am. No. 74, 2013; No 130, 2017
s. 191A.....	ad. No. 52, 2007 rep. No. 74, 2013
Division 7	
s. 197.....	am. No. 52, 2007; No. 8, 2010
Division 8	
Division 8 heading	rs No 133, 2020
s 199.....	am No 130, 2017; No 133, 2020
s 200.....	am No 130, 2017 rep No 133, 2020
s 201.....	am No 133, 2020
Division 9	
s 203.....	am No 153, 2015
Part 16	
Division 1	
s 208.....	am No 133, 2020; No 63, 2023

Endnotes

Endnote 4—Amendment history

Provision affected	How affected
Division 2	
s 209.....	am No 92, 2017
Division 3	
Subdivision A	
s 212.....	am No 51, 2010; No 41, 2015; No 130, 2017; No 133, 2020
Subdivision B	
s 214.....	am No 46, 2011
s 218.....	rep No 92, 2017
s 219.....	am No 92, 2017
s 221.....	am No 46, 2011
Division 4	
s 225.....	ad No 74, 2013
Division 5.....	rep No 92, 2017
s 226.....	rep No 92, 2017
s 227.....	rep No 92, 2017
Division 6	
s 228.....	am No 52, 2007
Division 6A	
Division 6A.....	ad No 63, 2023
s 228A.....	ad No 63, 2023
Part 17A	
Part 17A.....	ad No 74, 2013
s 233A.....	ad No 74, 2013
	am No 38, 2024
s 233B.....	ad No 74, 2013
	am No 130, 2017
s 233C.....	ad No 74, 2013
	am No 130, 2017
s 233D.....	ad No 74, 2013
	am No 38, 2024
s 233E.....	ad No 74, 2013

Endnote 4—Amendment history

Provision affected	How affected
	am No 38, 2024
s 233F.....	ad No 74, 2013
	am No 38, 2024
s 233G.....	ad No 74, 2013
Part 18	
s 244.....	am No 133, 2020
s 245.....	am No 59, 2015; No 126, 2015
s 248.....	am No 8, 2010
s 249.....	am No 46, 2011; No 126, 2015
Schedule 1	
c 1	am No 31, 2014; No 133, 2020