**Australian Treasury says ‘ Crypto debanking  may affect its finance market’**

*Reportedly, Government expects banks to communicate their requirements to the users*

June 30, 2023

According to the Treasury Department of Australia, the constant banks cutting services to cryptocurrency companies in Australia may lead to a unfavourable impact such as making the industry less transparent, stated Cointelegraph.

Sources revealed that on June 28, 2023, the Australian Department of the Treasury made an official statement addressing the expected policy responses towards debanking in Australia. It is expected that a debanking occurs when a bank declines to provide services to its users, for issues such as Anti-[Money](https://www.financialexpress.com/money/) Laundering(AML), sanctions compliance and reputational risk considerations among others, Cointelegraph added.

“The Government recognises the seriousness of de-banking and understands that inaction on the issue will stifle competition and innovation in the financial services sector and may drive businesses underground and to operate exclusively in cash,” the Treasury explained.

“The Government expects banks to communicate their requirements to both existing and potential customers clearly and proactively prior to refusing or withdrawing banking services,” the Treasury added. Furthermore, the state will also work with regulators, banks and the sectors which got affected in order to see that the “agreed upon recommendations are effective and achievable,” Cointelegraph concluded.