Salt® compliance

QUICK FACT SHEET

# Module 4 – Suspicious and Threshold Transactions

**Reporting obligations**

Under the AML Act, your organisation must report:

- threshold transactions
- international funds transfers
- cross-border movements of cash
- suspicious matters
- compliance

**What is a threshold transaction?**

A threshold transaction involves transferring $10,000 or more using physical currency or e-currency.

**What are the reporting obligations in relation to threshold transactions?**

Your organisation must report to AUSTRAC if it provides a designated service involving a threshold transaction. A threshold transaction report (TTR) must be made within 10 business days after the transaction occurs.

**What are the obligations in relation to suspicious matters?**

You must report a suspicious matter if your organisation starts to provide or is going to provide a designated service to a person and:

- your organisation suspects the person is not who they claim to be
- your organisation has relevant information for a criminal investigation or prosecution
- the designated service leads to financing of terrorism or money laundering

A suspicion may arise because of unusual transactions, high-risk customers or suspicious customer behaviour.

**Suspicious transactions**

A suspicious transaction or matter is a transaction unusual and inconsistent with that customer's normal business activities. Some ways to determine whether transactions are suspicious include account monitoring, identifying normal transactions, business profiling and considering transaction types.

**Suspicious matter reporting**

If a suspicious matter reporting obligation arises, your organisation must give a suspicious matter report (SMR) to the AUSTRAC CEO within either of the following:

- Three business days of forming the suspicion
- 24 hours if the suspicion relates to the financing of terrorism

**What is the offence of "tipping off"?**

When dealing with suspicious matters and reporting obligations you have to be careful not to commit the offence of tipping off – for example, disclosing to someone that your organisation has formed a suspicion about someone. Tipping off can attract heavy penalties, including imprisonment for two years, a fine of $21,600, or both.

**Suspicious matters as a trigger for further due diligence**

If a suspicious matter reporting obligation arises in relation to an existing customer or a low-risk customer, your organisation must within 14 days:

1. carry out the applicable customer identification procedure, unless you have previously carried out or been deemed to have carried out that procedure or a comparable procedure
2. collect any KYC information in respect of the customer
3. verify, from a reliable and independent source, certain KYC information that has been obtained in respect of the customer