Anti-Money Laundering and

Counter-Terrorism Financing Act 2006

**No. 169, 2006**

Includes amendments: Act No. 38, 2024

Prepared by the Office of Parliamentary Counsel, Canberra

About this compilation

This compilation

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

Uncommenced amendments

The effect of uncommenced amendments is not shown in the text of the compiled law. Any uncommenced amendments affecting the law are accessible on the Register (www.legislation.gov.au). The details of amendments made up to, but not commenced at, the compilation date are underlined in the endnotes. For more information on any uncommenced amendments, see the Register for the compiled law.

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If a provision of the compiled law has been repealed in accordance with a provision of the law, details are included in the endnotes.

**Introduction Part 1**

An Act to combat money laundering and the

**financing of terrorism, and for other purposes Part 1—Introduction**

Short title

Commencement

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**

**Commencement information**

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**Commencement information**

**Column 1 Column 2 Column 3**

**Provision(s) Commencement Date/Details**

The first day after the end of the period of 6 months beginning on the day on which this Act receives the Royal Assent.

The day after this Act receives the Royal Assent.

12 June 2007

13 December

Parts 11 to 18 The day after this Act receives the Royal

Assent.

Schedule 1 The day after this Act receives the Royal

Assent.

13 December

13 December

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.

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.

Objects

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

(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

to fulfil Australia’s international obligations, including:

Australia’s international obligations to combat money laundering; and

Australia’s international obligations to combat financing of terrorism; and

to address matters of international concern, including:

the need to combat money laundering; and

the need to combat financing of terrorism; and

by addressing those matters of international concern, to affect beneficially Australia’s relations with:

foreign countries; and

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).

Relevant international obligations include obligations under the following:

the United Nations Convention Against Corruption, done at New York on 31 October 2003 [2006] ATS 2;

the United Nations Convention Against Transnational Organized Crime, done at New York on 15 November 2000 [2004] ATS 12;

the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime, done at Strasbourg on 8 November 1990 [1997] ATS 21;

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United Nations Security Council Resolution 1267 S/RES/1267 (1999);

United Nations Security Council Resolution 1373 S/RES/1373 (2001);

United Nations Security Council Resolution 1617 S/RES/1617 (2005).

The following reflect international concern:

the FATF Recommendations;

the United Nations Convention Against Corruption, done at New York on 31 October 2003 [2006] ATS 2;

the United Nations Convention Against Transnational Organized Crime, done at New York on 15 November 2000 [2004] ATS 12;

the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime, done at Strasbourg on 8 November 1990 [1997] ATS 21;

the International Convention for the Suppression of the Financing of Terrorism, done at New York on 9 December 1999 [2002] ATS 23;

United Nations General Assembly Resolution 51/210 A/RES/51/210 (1996);

United Nations Security Council Resolution 1267 S/RES/1267 (1999);

United Nations Security Council Resolution 1269 S/RES/1269 (1999);

United Nations Security Council Resolution 1373 S/RES/1373 (2001);

United Nations Security Council Resolution 1456 S/RES/1456 (2003);

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).

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).

Simplified outline

The following is a simplified outline of this Act:

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Definitions

In this Act:

account includes:

a credit card account; and

a loan account (other than a credit card account); and

an account of money held in the form of units in:

a cash management trust; or

a trust of a kind prescribed by the AML/CTF Rules. To avoid doubt, it is immaterial whether:

an account has a nil balance; or

any transactions have been allowed in relation to an account.

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 body corporate that is an ADI for the purposes of the

Banking Act 1959; or

the Reserve Bank of Australia; or

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 Department of the Commonwealth is taken to be an agency of the Commonwealth for the purposes of this Act;

a Department of a State is taken to be an agency of the State for the purposes of this Act;

a Department of a Territory is taken to be an agency of the Territory for the purposes of this Act.

AGO means that part of the Defence Department known as the Australian Geospatial-Intelligence Organisation, and includes any part of the Defence Force that performs functions on behalf of that part of the Department.

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 Rules (short for Anti-Money

Laundering/Counter-Terrorism Financing Rules) means the rules made under section 229.

anti-money laundering and counter-terrorism financing program

has the meaning given by section 83.

applicable customer identification procedure: for the purposes of the application of this Act to customers of a reporting entity,

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applicable customer identification procedure has the meaning ascertained in accordance with:

if all of the designated services provided by the reporting entity are covered by item 54 of table 1 in section 6, and there is no joint anti-money laundering and counter-terrorism financing program that applies to, and has been adopted by, the reporting entity:

a special anti-money laundering and counter-terrorism financing program that applies to, and has been adopted by, the reporting entity; or

if the program has been varied on one or more occasions—the program as varied; or

in any other case:

Part B of an anti-money laundering and

counter-terrorism financing program that applies to, and has been adopted by, the reporting entity; or

if the program has been varied on one or more occasions—Part B of the program as varied.

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.

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:

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

any scheme, plan, proposal, action, course of action or course of conduct, whether unilateral or otherwise.

ASD means the Australian Signals Directorate.

ASIO means the Australian Security Intelligence Organisation.

ASIS means the Australian Secret Intelligence Service.

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.

Attorney-General’s Department means the Department administered by the Attorney-General.

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:

the AUSTRAC CEO; or

a member of the staff of AUSTRAC; or

a person engaged as a consultant under subsection 225(1); or

a person whose services are made available to the AUSTRAC CEO under subsection 225(3); or

a member of a task force established by the AUSTRAC CEO under paragraph 212(1)(db); or

the Director of AUSTRAC; or

a person engaged as a consultant under repealed section 40A of the Financial Transaction Reports Act 1988.

Note: The former office of Director of AUSTRAC was established under the

Financial Transaction Reports Act 1988.

AUSTRAC information means the following:

information obtained by, or generated by, an AUSTRAC entrusted person under or for the purposes of this Act;

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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;

information obtained by an AUSTRAC entrusted person from a government body;

FTR information (within the meaning of the Financial Transaction Reports Act 1988).

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

Australian account means an account held in Australia.

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:

the Commonwealth, a State or a Territory; or

an agency or authority of:

the Commonwealth; or

a State; or

a Territory.

authorised officer means:

the AUSTRAC CEO; or

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

batched electronic funds transfer instruction means an electronic funds transfer instruction accepted by an ADI or a bank from a particular payer, where:

the transfer instruction is one of a particular batch of electronic funds transfer instructions accepted by the ADI or bank from the payer; and

the batch is, or is to be, passed on or dispatched in a single file that includes the complete payer information in respect of each of the electronic funds transfer instructions in the batch.

bearer negotiable instrument has the meaning given by section 17.

beneficiary institution, in relation to an electronic funds transfer instruction:

in the case of a multiple-institution person-to-person electronic funds transfer instruction—has the meaning given by subsection 8(1); or

in the case of a same-institution person-to-person electronic funds transfer instruction—has the meaning given by subsection 8(2); or

in the case of a multiple-institution same-person electronic funds transfer instruction—has the meaning given by subsection 9(1); or

in the case of a same-institution same-person electronic funds transfer instruction—has the meaning given by

subsection 9(2).

bet includes wager.

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

that represents monetary value or digital currency value; and

that is designed to be used for the purpose of, or for purposes which include:

placing or making a bet; or

paying out winnings in respect of a bet; but does not include:

a gaming chip or token; or

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.

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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 law of a State or Territory; or

a law of a foreign country or a part of a foreign country.

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

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.

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:

if the designated service is provided at an instant of time— provide the service; or

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 Commonwealth place within the meaning of the

Commonwealth Places (Application of Laws) Act 1970; or

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:

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;

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;

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;

an agency, authority, body or organisation of the Commonwealth, a State or a Territory that has regulatory functions;

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;

a Department of the Commonwealth;

a Commonwealth Royal Commission whose terms of reference include inquiry into whether unlawful conduct (however described) has, or might have, occurred;

a State/Territory Royal Commission:

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;

any other agency, authority, body or organisation of the Commonwealth, a State or a Territory, being an agency,

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authority, body or organisation prescribed by the AML/CTF Rules;

a task force that:

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

has functions of a kind described in paragraph (a), (b),

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.

complete payer information has the meaning given by section 71.

compliance record of a reporting entity means:

a record that relates to the obligations under this Act, the regulations or the AML/CTF Rules of the reporting entity; or

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 test: passing the control test has the meaning given by section 11.

corporate group has the meaning given by subsection 123(12).

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:

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

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

the correspondent banking relationship relates, in whole or in part, to those permanent establishments; and

the relationship is not of a kind specified in the AML/CTF Rules; and

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.

credit card has the same meaning as in Schedule 2 to the

Competition and Consumer Act 2010.

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.

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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:

information in any form; or

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 has the same meaning as in Schedule 2 to the

Competition and Consumer Act 2010.

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

Defence Department means the Department administered by the Defence Minister.

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

Department of Foreign Affairs and Trade means the Department administered by the Foreign Affairs Minister.

derivative has the same meaning as in Chapter 7 of the

Corporations Act 2001.

designated business group means a group of 2 or more persons, where:

each member of the group has elected, in writing, to be a member of the group, and the election is in force; and

each election was made in accordance with the AML/CTF Rules; and

no member of the group is a member of another designated business group; and

each member of the group satisfies such conditions (if any) as are specified in the AML/CTF Rules; and

the group is not of a kind that, under the AML/CTF Rules, is ineligible to be a designated business group.

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

designated remittance arrangement has the meaning given by section 10.

designated service has the meaning given by section 6.

digital currency means:

a digital representation of value that:

functions as a medium of exchange, a store of economic value, or a unit of account; and

is not issued by or under the authority of a government body; and

is interchangeable with money (including through the crediting of an account) and may be used as consideration for the supply of goods or services; and

is generally available to members of the public without any restriction on its use as consideration; or

a means of exchange or digital process or crediting declared to be digital currency by the AML/CTF Rules;

but does not include any right or thing that, under the AML/CTF Rules, is taken not to be digital currency for the purposes of this Act.

Digital Currency Exchange Register has the meaning given by section 76B.

DIO means that part of the Defence Department known as the Defence Intelligence Organisation, and includes any part of the Defence Force that performs functions on behalf of that part of the Department.

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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.

electronic communication has the same meaning as in the

Criminal Code.

electronic funds transfer instruction means:

a multiple-institution person-to-person electronic funds transfer instruction; or

a same-institution person-to-person electronic funds transfer instruction; or

a multiple-institution same-person electronic funds transfer instruction; or

a same-institution same-person electronic funds transfer instruction.

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:

a warehouse in respect of which a warehouse licence (within the meaning of Part V of the Customs Act 1901) is in force; or

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:

do an act; or

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:

the Commissioner of the Australian Federal Police; or

the Chief Executive Officer of the Australian Crime Commission; or

the Commissioner of Taxation; or

the Comptroller-General of Customs; or

the National Anti-Corruption Commissioner; or

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.

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

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.

exempt legal practitioner service means a service that, under the AML/CTF Rules, is taken to be an exempt legal practitioner service for the purposes of this Act.

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

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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.

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

all of the following Recommendations:

the Forty Recommendations adopted by the Financial Action Task Force on Money Laundering (FATF) at its plenary meeting on 20 June 2003;

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;

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

if any or all of those Recommendations are amended—the Recommendations as so amended.

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:

an ADI; or

a bank; or

a building society; or

a credit union; or

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:

an offence against section 102.6 or Division 103 of the

Criminal Code; or

an offence against section 20 or 21 of the Charter of the United Nations Act 1945; or

an offence against a law of a State or Territory that corresponds to an offence referred to in paragraph (a) or (b); or

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 government body that has responsibility for:

intelligence gathering for a foreign country; or

the security of a foreign country; or

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

a government body that has responsibility for the protection of the public revenue of a foreign country; or

a government body that has regulatory functions in a foreign country; or

the European Police Office (Europol); or

the International Criminal Police Organization (Interpol); or

an international body prescribed by the regulations for the purposes of this paragraph.

foreign country includes a region where:

the region is a colony, territory or protectorate of a foreign country; or

the region is part of a foreign country; or

the region is under the protection of a foreign country; or

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a foreign country exercises jurisdiction or control over the region; or

a foreign country is responsible for the region’s international relations.

foreign exchange contract means a contract:

to buy or sell currency (whether Australian or not); or

to exchange one currency (whether Australian or not) for another (whether Australian or not).

funds transfer chain has the meaning given by subsection 64(2).

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:

the game is played for money or anything else of value; and

the game is a game of chance or of mixed chance and skill.

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

the game is played for money or anything else of value; and

the game is a game of chance or of mixed chance and skill.

government body means:

the government of a country; or

an agency or authority of the government of a country; or

the government of part of a country; or

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).

international funds transfer instruction has the meaning given by section 46.

investigating officer means:

a taxation officer; or

an AFP member; or

a customs officer (other than the Comptroller-General of Customs); or

an examiner of the Australian Crime Commission; or

a member of the staff of the Australian Crime Commission; or

a National Anti-Corruption Commission officer.

involves includes relates to.

issue, when used in relation to a security or derivative, includes grant or otherwise make available. The time when a derivative is issued is to be worked out under subsection 761E(3) of the Corporations Act 2001.

joint anti-money laundering and counter-terrorism financing program has the meaning given by subsection 85(1).

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

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

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

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:

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$1,500; or

if a greater amount is specified in the AML/CTF Rules—that greater amount; or

a single premium policy to which paragraph (a) does not apply, where the amount of the single premium is not more than:

$3,000; or

if a greater amount is specified in the AML/CTF Rules—that greater amount; or

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:

an advance of money; and

the provision of credit or any other form of financial accommodation; and

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

a transaction (whatever its terms or form) which in substance effects a loan of money;

but does not include:

if goods (within the meaning of the Competition and Consumer Act 2010) are sold on credit—the provision by the seller of that credit; or

if services (within the meaning of the Competition and Consumer Act 2010) are provided on credit—the provision by the provider of the service of that credit; or

anything that, under the AML/CTF Rules, is taken not to be a loan for the purposes of this Act.

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

modifications includes additions, omissions and substitutions.

monetary instrument means any of the following:

physical currency;

a bearer negotiable instrument;

a thing prescribed by the AML/CTF Rules.

monetary instrument amount for a monetary instrument means:

for physical currency—the amount of the currency; or

for a bearer negotiable instrument—the amount payable under the instrument; or

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:

physical currency; and

money held in an account, whether denominated in Australian currency or any other currency; and

money held on deposit, whether denominated in Australian currency or any other currency.

money laundering means conduct that amounts to:

an offence against Division 400 of the Criminal Code; or

an offence against a law of a State or Territory that corresponds to an offence referred to in paragraph (a); or

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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).

money laundering and terrorism financing risk assessment has the meaning given by subsection 165(6).

monitoring powers has the meaning given by section 148. monitoring warrant means a warrant issued under section 159. move:

move a monetary instrument into Australia has the meaning given by section 55; and

move a monetary instrument out of Australia has the meaning given by section 56.

multiple-institution person-to-person electronic funds transfer instruction has the meaning given by subsection 8(1).

multiple-institution same-person electronic funds transfer instruction has the meaning given by subsection 9(1).

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.

non-financier means a person who is not:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules.

non-reportable cross-border movement of monetary instruments

means:

a movement of one or more monetary instruments into Australia; or

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:

a reporting entity commences to provide, or provides, a designated service to a customer; and

the provision of the service involves a transaction; and

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.

offence:

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

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 director or secretary of a company is taken to be an officer of the company for the purposes of this Act;

a partner of a partnership is taken to be an officer of the partnership for the purposes of this Act;

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.

ONI means the Office of National Intelligence.

**Introduction Part 1**

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

the account number has been given to the holder of the account; or

the holder of the account, or any other signatory to the account, can conduct a transaction in relation to the account.

ordering institution, in relation to an electronic funds transfer instruction:

in the case of a multiple-institution person-to-person electronic funds transfer instruction—has the meaning given by subsection 8(1); or

in the case of a same-institution person-to-person electronic funds transfer instruction—has the meaning given by subsection 8(2); or

in the case of a multiple-institution same-person electronic funds transfer instruction—has the meaning given by subsection 9(1); or

in the case of a same-institution same-person electronic funds transfer instruction—has the meaning given by

subsection 9(2).

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

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

payee, in relation to an electronic funds transfer instruction:

in the case of a multiple-institution person-to-person electronic funds transfer instruction—has the meaning given by subsection 8(1); or

in the case of a same-institution person-to-person electronic funds transfer instruction—has the meaning given by subsection 8(2); or

in the case of a multiple-institution same-person electronic funds transfer instruction—has the meaning given by subsection 9(1); or

in the case of a same-institution same-person electronic funds transfer instruction—has the meaning given by

subsection 9(2).

payer, in relation to an electronic funds transfer instruction:

in the case of a multiple-institution person-to-person electronic funds transfer instruction—has the meaning given by subsection 8(1); or

in the case of a same-institution person-to-person electronic funds transfer instruction—has the meaning given by subsection 8(2); or

in the case of a multiple-institution same-person electronic funds transfer instruction—has the meaning given by subsection 9(1); or

in the case of a same-institution same-person electronic funds transfer instruction—has the meaning given by

subsection 9(2).

permanent establishment has the meaning given by section 21.

person means any of the following:

an individual;

a company;

a trust;

a partnership;

a corporation sole;

a body politic.

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

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

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

is designated as legal tender; and

**Introduction Part 1**

circulates as, and is customarily used and accepted as, a medium of exchange in the country of issue.

police officer means:

an AFP member; or

a member of the police force or police service of a State or Territory.

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.

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 digital currency.

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:

conduct covered by subsection 766E(3) of that Act; or

conduct specified in the AML/CTF Rules.

public official means:

an employee or official of a government body; or

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

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

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

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:

CPA Australia; or

Chartered Accountants Australia and New Zealand; or

a body specified in the AML/CTF Rules.

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 digital currency exchange provider means a person registered under section 76E as a digital currency exchange provider.

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.

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

registrable designated remittance service means a designated service that:

**Introduction Part 1**

is covered by item 31 or 32 of table 1 in section 6; and

is provided by a person at or through a permanent establishment of the person in Australia; and

is not of a kind specified in the AML/CTF Rules.

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 digital currency exchange service means a designated service that:

is covered by item 50A of table 1 in section 6; and

is not of a kind specified in the AML/CTF Rules.

registrable remittance network service means a designated service that:

is covered by item 32A of table 1 in section 6; and

is not of a kind specified in the AML/CTF Rules.

registration means:

in, or in relation to, Part 6—registration as any of the following:

a remittance network provider;

an independent remittance dealer;

a remittance affiliate of a registered remittance network provider; or

in, or in relation to, Part 6A—registration as a digital currency exchange provider.

remittance arrangement has the meaning given by section 10. Remittance Sector Register has the meaning given by section 75. reporting entity means a person who provides a designated service. reporting entity business premises means:

premises, or a part of premises, used wholly or partly for the purposes of the business operations of:

a reporting entity; or

an agent of a reporting entity; or

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:

a reporting entity; or

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.

required transfer information has the meaning given by section 70.

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

reviewable decision has the meaning given by section 233B.

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.

same-institution person-to-person electronic funds transfer instruction has the meaning given by subsection 8(2).

same-institution same-person electronic funds transfer instruction has the meaning given by subsection 9(2).

Secretary means the Secretary of the Department.

security has the meaning given by subsections 92(1) and (2) of the

Corporations Act 2001.

Note: Security includes an interest in a managed investment scheme (or a notified foreign passport fund which is a managed investment scheme for the purposes of that Act, see section 1213E of that Act).

**Introduction Part 1**

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.

service includes anything covered by an item of a table in section 6.

shell bank has the meaning given by section 15.

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.

special anti-money laundering and counter-terrorism financing program has the meaning given by subsection 86(1).

standard anti-money laundering and counter-terrorism financing program has the meaning given by subsection 84(1).

state of mind of a person includes:

the knowledge, intention, opinion, suspicion, belief or purpose of the person; and

the person’s reasons for the intention, opinion, belief or purpose.

State/Territory Royal Commission means:

a Royal Commission of a State or Territory; or

a commission of inquiry of a State or Territory.

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

that stores monetary value in a form other than physical currency; or

that gives access to monetary value stored in a form other than physical currency; or

that is declared to be a stored value card by the AML/CTF Rules;

but does not include:

a debit card or a credit card (whether real or virtual) linked to an account provided by a financial institution; or

unless declared under paragraph (c):

a thing that is intended to give access to monetary value in a debit card or credit card account provided by a financial institution; or

a gaming chip or token, or a betting instrument; or

a thing that stores, or gives access to, digital currency; or

a thing that, under the AML/CTF Rules, is taken not to be a stored value card.

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 Second Commissioner of Taxation; or

a Deputy Commissioner of Taxation; or

a person appointed or engaged under the Public Service Act 1999 and performing duties in the Australian Taxation Office.

threshold transaction means:

**Introduction Part 1**

a transaction involving the transfer of physical currency, where the total amount of physical currency transferred is not less than $10,000; or

if:

the regulations provide that this definition applies to a specified transaction involving money; and

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:

the regulations provide that this definition applies to a specified transaction involving digital currency; and

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

if:

the regulations provide that this definition applies to a specified transaction involving the transfer of property; and

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 digital currency to Australian currency).

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

tracing information has the meaning given by section 72.

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).

transferor entity, in relation to a remittance arrangement, has the meaning given by paragraph 10(3)(a).

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.

ultimate transferee entity, in relation to a remittance arrangement, has the meaning given by paragraph 10(3)(b).

unincorporated association means an unincorporated association or body of persons.

unique reference number, for an electronic funds transfer instruction, means a combination of any or all of the following:

letters;

digits;

characters;

symbols;

which distinguishes the transfer instruction in a way that, either:

alone; or

in conjunction with any other information in the transfer instruction;

enables the ordering institution to identify the payer.

Examples:

a combination of a BSB and account number;

**Introduction Part 1**

a reference number generated by the ordering institution.

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.

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.

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

Designated services

For the purposes of this Act, the following tables define:

the provision of a designated service; and

the person (the customer) to whom the designated service is provided.

*Table 1—Financial services*

Table 1 is as follows:

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

in the capacity of account provider, opening an account, where the account provider is:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules

the holder of the account

in the capacity of account provider the signatory

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

for a new or existing account, allowing a person to become a signatory to the account, where the account provider is:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules

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:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules

accepting money on deposit (otherwise than by way of deposit to an account), where the

deposit-taker is:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules

in the capacity of deposit-taker for a deposit, allowing a transaction to be

both:

the holder of the account; and

each other signatory to the account

the person in whose name the deposit is held

the person in whose name the deposit is held

**Introduction Part 1**

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

conducted in relation to the deposit, where the deposit-taker is:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules

making a loan, where the loan is made in the course of carrying on a loans business

in the capacity of:

lender for a loan; or

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

factoring a receivable, where the receivable is factored in the course of carrying on a factoring business

forfaiting:

a bill of exchange; or

a promissory note;

where the bill or note is forfaited in the course of carrying on a forfaiting business

supplying goods by way of lease under a finance lease, where:

the goods are not acquired by a

the borrower

the borrower

the person whose receivable is factored

the person whose bill or note is forfaited

the lessee

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

consumer (within the meaning of section 4B of the Competition and Consumer Act 2010); and

the supply is in the course of carrying on a finance leasing business

in the capacity of lessor under a finance lease, allowing the lessee to conduct a transaction in relation to the lease, where:

the goods were not acquired by a consumer (within the meaning of section 4B of the Competition and Consumer Act 2010); and

the supply was in the course of carrying on a finance leasing business

supplying goods to a person by way of hire-purchase, where:

the goods are not acquired by a consumer (within the meaning of section 4B of the Competition and Consumer Act 2010); and

the supply is in the course of carrying on a business of supplying goods

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:

the goods were not acquired by a consumer (within the meaning of section 4B of the Competition and Consumer Act 2010); and

the lessee

the person

the person

**Introduction Part 1**

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

the supply was in the course of carrying on a business of supplying goods

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

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

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

issuing:

a bill of exchange; or

a promissory note; or

a letter of credit;

to a person, where the bill, note or letter is issued by:

an ADI; or

a bank; or

a building society; or

the holder of the account

the holder of the account with the building society or credit union

the holder of the beneficial interest in the trust

the person

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

a credit union; or

a person specified in the AML/CTF Rules

issuing a debit card that enables the holder of an account to debit the account, where the account provider is:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules

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:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules

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:

an ADI; or

the holder of the account

the signatory

the holder of the account with building society or credit union

**Introduction Part 1**

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

a bank; or

a person specified in the AML/CTF Rules

19A 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:

an ADI; or

a bank; or

a person specified in the AML/CTF Rules

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:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules

the signatory

the holder of the beneficial interest in the trust

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

20A 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:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules

issuing a stored value card to a person, where:

the whole or a part of the monetary value stored in connection with the card may be withdrawn in cash; and

the monetary value stored in connection with the card is not less than:

$1,000; or

if another amount is specified in the regulations—that other amount

the signatory

the person

**Introduction Part 1**

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

increasing the monetary value stored in connection with a stored value card held by a person, where:

the whole or a part of the monetary value stored in connection with the card may be withdrawn in cash; and

the increased monetary value is not less than:

$1,000; or

if another amount is specified in the regulations—that other amount

issuing a stored value card to a person, where:

no part of the monetary value stored in connection with the card may be withdrawn in cash; and

the monetary value stored in connection with the card is not less than:

$5,000; or

if another amount is specified in the regulations—that other amount

the person

the person

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

increasing the monetary value stored in connection with a stored value card held by a person, where:

no part of the monetary value stored in connection with the card may be withdrawn in cash; and

the increased monetary value is not less than:

$5,000; or

if another amount is specified in the regulations—that other amount

issuing a traveller’s cheque to a person

in the capacity of issuer of a traveller’s cheque, cashing or redeeming a traveller’s cheque held by a person

issuing a money order, postal order or similar order to a person, where the face value of the order is not less than:

$1,000; or

if another amount is specified in the regulations—that other amount

the person

the person the person

the person

**Introduction Part 1**

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

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:

$1,000; or

if another amount is specified in the regulations—that other amount

in the capacity of ordering institution, accepting an electronic funds transfer instruction from the payer

in the capacity of beneficiary institution, making money available to the payee as a result of an electronic funds transfer instruction

in the capacity of a non-financier carrying on a business of giving effect to remittance arrangements, accepting an instruction from a transferor entity for the transfer of money or property under a designated remittance arrangement

in the capacity of a non-financier carrying on a business of giving effect to remittance arrangements, making money or property available, or arranging for it to be made available, to an ultimate transferee entity as a result of a transfer under a designated remittance arrangement

the person

the payer

the payee

the transferor entity

the ultimate transferee entity

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

32A operating a network of persons by providing a platform or operating system (however described), where:

the persons in the network provide a designated service referred to in item 31 or 32 by means of the platform or operating system; and

the operator is a non-financier.

in the capacity of agent of a person, acquiring or disposing of:

a security; or

a derivative; or

(ba) an Australian carbon credit unit; or

(bb) an eligible international emissions unit; or

a foreign exchange contract;

on behalf of the person, where:

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

the service is not specified in the AML/CTF Rules

the person who provides designated services as part of the network

the person

**Introduction Part 1**

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

in the capacity of agent of a person, acquiring or disposing of:

a bill of exchange; or

a promissory note; or

a letter of credit;

on behalf of the person, where:

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

the service is not specified in the AML/CTF Rules

issuing or selling a security or derivative to a person, where:

the issue or sale is in the course of carrying on a business of issuing or selling securities or derivatives; and

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:

a security of the company (other than an interest in a managed investment scheme); or

an option to acquire a security of the company (other than an option to acquire an interest in a managed investment scheme); and

the person

the person

**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

in the case of an issue of a security or derivative—the issue is not an exempt financial market operator issue; and

such other conditions (if any) as are set out in the AML/CTF Rules are satisfied

in the capacity of issuer of a bearer bond, redeeming a bearer bond

issuing, or undertaking liability as the insurer under, a life policy or sinking fund policy

in the capacity of insurer for a life policy or sinking fund policy, accepting a premium in relation to the policy

in the capacity of insurer for a life policy or sinking fund policy, making a payment to a person under the policy

in the capacity of provider of a pension or annuity, accepting payment of the purchase price for a new pension or annuity, where:

the provider is not a self managed superannuation fund; or

the pension or annuity is

the person to whom the proceeds of the redemption are paid

the holder of the policy

the holder of the policy

the person

the person to whom the pension or annuity is to be paid

**Introduction Part 1**

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

provided in the course of carrying on a business of providing pensions or annuities

in the capacity of provider of a pension or annuity, making a payment to a person by way of:

a payment of the pension or annuity; or

an amount resulting from the commutation, in whole or in part, of the pension or annuity; or

the residual capital value of the pension or annuity;

where the provider is not a self managed superannuation fund

in the capacity of trustee of:

a superannuation fund (other than a self managed superannuation fund); or

an approved deposit fund;

accepting a contribution, roll-over or transfer in respect of a new or existing member of the fund

in the capacity of trustee of:

a superannuation fund (other than a self managed superannuation fund); or

an approved deposit fund;

cashing the whole or a part of an interest held by a member of the fund

the person

the member

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

**Table 1—Financial services**

**Item Provision of a designated service Customer of the designated service**

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

in the capacity of RSA provider, cashing the whole or a part of an interest held by an RSA holder

providing a custodial or depository service, where:

the service is provided in the course of carrying on a business of providing custodial or depository services; and

the service is not an exempt legal practitioner service

providing a safe deposit box, or similar facility, where:

the service is provided in the course of carrying on a business of providing safe deposit boxes or similar facilities; and

the service is not an exempt legal practitioner service

guaranteeing a loan, where the guarantee is given in the course of carrying on a business of guaranteeing loans

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

the 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

the client of the service

the person who is, or each of the persons who are, authorised to lodge items in the safe deposit box or similar facility

both:

the lender; and

the borrower

both:

the lender; and

the borrower

**Introduction Part 1**

**Table 1—Financial services**

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*

Table 2 is as follows:

**Table 2—Bullion**

**Item Provision of a designated service Customer of the designated**

**service**

buying bullion, where the buying is in the course of carrying on a bullion-dealing business

selling bullion, where the selling is in the course of carrying on a bullion-dealing business

the person from whom the bullion is bought

the person to whom the bullion is sold

*Table 3—Gambling services*

Table 3 is as follows:

**Table 3—Gambling services**

accept the bet, where the service is

provided in the course of carrying on a gambling business

paying out winnings in respect of a bet, where the service is provided in the course of carrying on a gambling business

(b) the person who is willing to receive or accept the bet

the person to whom the winnings are paid

**Introduction Part 1**

**Table 3—Gambling services**

**Item Provision of a designated service Customer of the designated**

**service**

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

accepting the entry of a person into a game, where:

the game is played for money or anything else of value; and

the game is a game of chance or of mixed chance and skill; and

the service is provided in the course of carrying on a gambling business; and

the game is not played on a gaming machine located at an eligible gaming machine venue

exchanging money or digital currency for gaming chips or tokens, or betting instruments, where the service is provided in the course of carrying on a business

exchanging gaming chips or tokens, or betting instruments, for money or digital currency, where the service is provided in the course of carrying on a business

the person

the person

the person whose money or digital currency is exchanged

the person whose gaming chips or tokens, or betting instruments, are exchanged

**Table 3—Gambling services**

**Item Provision of a designated service Customer of the designated**

**service**

paying out winnings, or awarding a prize, in respect of a game, where:

the game is played for money or anything else of value; and

the game is a game of chance or of mixed chance and skill; and

the service is provided in the course of carrying on a gambling business; and

the game is not played on a gaming machine located at an eligible gaming machine venue

in the capacity of controller of an eligible gaming machine venue, paying out winnings, or awarding a prize, in respect of a game, where:

the game is played on a gaming machine located at the venue; and

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

the service is provided in the course of carrying on a business

the person to whom the winnings are paid or the prize is awarded

the person to whom the winnings are paid or the prize is awarded

**Introduction Part 1**

**Table 3—Gambling services**

**Item Provision of a designated service Customer of the designated**

**service**

in the capacity of account provider, opening an account, where:

the account provider is a person who provides a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and

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

the service is provided in the course of carrying on a gambling business

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 a person who provides a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and

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

the service is provided in the course of carrying on a gambling business

the holder of the account

the signatory

**Table 3—Gambling services**

**Item Provision of a designated service Customer of the designated**

**service**

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 a person who provides a service covered by item 1, 2, 3, 4, 6, 7, 8 or 9; and

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

the service is provided in the course of carrying on a gambling business

exchanging one currency (whether Australian or not) for another (whether Australian or not), where:

the exchange is provided by a person who provides a service covered by item 1, 2, 3, 4, 6, 7, 8

or 9; and

the service is provided in the course of carrying on a business

both:

the holder of the account; and

each other signatory to the account

the person whose currency is exchanged

*Table 4—Prescribed services*

Table 4 is as follows:

**Introduction Part 1**

**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

*Geographical link*

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:

the service is provided at or through a permanent establishment of the person in Australia; or

both of the following subparagraphs apply:

the person is a resident of Australia;

the service is provided at or through a permanent establishment of the person in a foreign country; or

both of the following subparagraphs apply:

the person is a subsidiary of a company that is a resident of Australia;

the service is provided at or through a permanent establishment of the person in a foreign country.

Note: For resident, see section 14.

*Amendment of items*

The regulations may amend an item of a table in this section.

Services provided jointly to 2 or more customers

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.

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.

Person-to-person electronic funds transfer instructions

*Multiple-institution person-to-person electronic funds transfer instruction*

For the purposes of this Act, if:

a person (the payer) instructs a person (the ordering institution) to transfer money controlled by the payer to a third person (the payee) on the basis that the transferred money will be made available to the payee by:

being credited to an account held by the payee with a fourth person (the beneficiary institution); or

being paid to the payee by a fourth person (the

beneficiary institution); and

either:

the transfer is to be carried out wholly or partly by means of one or more electronic communications; or

the transfer instruction is to be passed on wholly or partly by means of one or more electronic communications; and

the ordering institution is:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules; and

the beneficiary institution is:

an ADI; or

a bank; or

a building society; or

a credit union; or

**Introduction Part 1**

a person specified in the AML/CTF Rules;

then:

the instruction is a multiple-institution person-to-person electronic funds transfer instruction; and

if there are one or more persons interposed between the ordering institution and the beneficiary institution—disregard those interposed persons in working out the identities of the following:

the payer;

the ordering institution;

the payee;

the beneficiary institution.

Note: Transfer has an extended meaning—see section 5.

*Same-institution person-to-person electronic funds transfer instruction*

For the purposes of this Act, if:

a person (the payer) instructs a person (the ordering institution) to transfer money controlled by the payer to a third person (the payee) on the basis that the transferred money will be made available to the payee by:

being credited to an account held by the payee with the ordering institution; or

being paid to the payee by the ordering institution; and

the transfer is to be carried out wholly or partly by means of one or more electronic communications; and

the ordering institution is:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules;

then:

the instruction is a same-institution person-to-person electronic funds transfer instruction; and

for the purposes of the application of this Act to making the money available to the payee, the ordering institution may also be known as the beneficiary institution.

Note: Transfer has an extended meaning—see section 5.

Same-person electronic funds transfer instructions

*Multiple-institution same-person electronic funds transfer instruction*

For the purposes of this Act, if:

a person (the payer) instructs a person (the ordering institution) to transfer money controlled by the payer to a third person (the beneficiary institution) on the basis that the transferred money will be made available to the payer by:

being credited to an account held by the payer with the beneficiary institution; or

being paid to the payer by the beneficiary institution; and

either:

the transfer is to be carried out wholly or partly by means of one or more electronic communications; or

the transfer instruction is to be passed on wholly or partly by means of one or more electronic communications; and

the ordering institution is:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules; and

the beneficiary institution is:

an ADI; or

**Introduction Part 1**

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules;

then:

the instruction is a multiple-institution same-person electronic funds transfer instruction; and

for the purposes of the application of this Act to making the money available to the payer, the payer may also be known as the payee; and

if there are one or more persons interposed between the ordering institution and the beneficiary institution—disregard those interposed persons in working out the identities of the following:

the payer;

the ordering institution;

the beneficiary institution.

Note: Transfer has an extended meaning—see section 5.

*Same-institution same-person electronic funds transfer instruction*

For the purposes of this Act, if:

a person (the payer) instructs a person (the ordering institution) to make money controlled by the payer available to the payer by:

being credited to an account held by the payer with the ordering institution; or

being paid to the payer by the ordering institution; and

the transfer is to be carried out wholly or partly by means of one or more electronic communications; and

the ordering institution is:

an ADI; or

a bank; or

a building society; or

a credit union; or

a person specified in the AML/CTF Rules;

then:

the instruction is a same-institution same-person electronic funds transfer instruction; and

for the purposes of the application of this Act to making the money available to the payer:

the payer may also be known as the payee; and

the ordering institution may also be known as the

beneficiary institution.

Designated remittance arrangements etc.

A reference in this Act to a designated remittance arrangement is a reference to a remittance arrangement, where:

at least one of the persons described in the following subparagraphs is a non-financier:

a person who accepts an instruction from the transferor entity for the transfer of money or property under the remittance arrangement;

a person who makes money or property available, or arranges for it to be made available, to an ultimate transferee entity as a result of a transfer under the remittance arrangement; and

(c) the remittance arrangement satisfies such other conditions (if any) as are specified in the AML/CTF Rules.

*Remittance arrangement*

A reference in this Act to a remittance arrangement is a reference to an arrangement that is for the transfer of money or property, and includes a reference to an arrangement that, under the regulations, is taken to be a remittance arrangement for the purposes of this Act.

Note: Transfer has an extended meaning—see section 5.

**Introduction Part 1**

*Transferor entity and ultimate transferee entity*

For the purposes of the application of this Act to a remittance arrangement:

the transferor entity is the person from whom an instruction is accepted for the transfer of money or property under the arrangement; and

the ultimate transferee entity is the person to whom money or property is ultimately transferred under the arrangement.

Note: Transfer has an extended meaning—see section 5.

Control test

For the purposes of this Act, the question whether an individual passes the control test in relation to a company is to be determined in the same manner in which that question is determined for the purposes of section 1207Q of the Social Security Act 1991.

For the purposes of this Act, the question whether an individual passes the control test in relation to a trust is to be determined in the same manner in which that question is determined for the purposes of section 1207V of the Social Security Act 1991.

For the purposes of subsections (1) and (2) of this section, assume that paragraph 1207C(1)(g) and subsections 1207C(2), (3) and (4) of the Social Security Act 1991 had not been enacted.

Note: The control test is used in sections 14 (residency) and 15 (shell banks).

Owner-managed branches of ADIs

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.

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.

Eligible gaming machine venues

For the purposes of this Act, if:

a person (the first person) is in control of a particular venue; and

one or more gaming machines are located at the venue; and

the first person is neither the owner nor the lessee of the gaming machines; and

such other conditions (if any) as are specified in the AML/CTF Rules are satisfied;

then:

the venue is an eligible gaming machine venue; and

the first person is the controller of the venue.

Residency

*Individual*

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*

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:

the company is incorporated in that country; or

both:

an individual passes the control test in relation to the company; and

the individual is a resident of that country.

**Introduction Part 1**

*Trust*

For the purposes of this Act, a trust is a resident of a particular country if, and only if:

the trustee, or any of the trustees, is a resident of that country; or

both:

an individual passes the control test in relation to the trust; and

the individual is a resident of that country; or

both:

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

the person is a resident of that country.

*Partnership*

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*

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*

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*

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.

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.

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).

Shell banks

For the purposes of this Act, a shell bank is a corporation that:

is incorporated in a foreign country; and

is authorised to carry on banking business in its country of incorporation; and

does not have a physical presence in its country of incorporation; and

is not an affiliate of another corporation that:

is incorporated in a particular country; and

is authorised to carry on banking business in its country of incorporation; and

has a physical presence in its country of incorporation.

*When a corporation has a physical presence in a country*

For the purposes of determining what is a shell bank, a corporation has a physical presence in a country if, and only if:

the corporation carries on banking business at a place in that country; and

at least one full-time employee of the corporation performs banking-related duties at that place.

**Introduction Part 1**

*When a corporation is affiliated with another corporation*

For the purposes of determining what is a shell bank, a corporation is affiliated with another corporation if, and only if:

the corporation is a subsidiary of the other corporation; or

at least one individual passes the control test in relation to both corporations; or

under the regulations, both corporations are taken to be under common control.

Electronic communications

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.

Subsection (1) is enacted for the avoidance of doubt.

Bearer negotiable instruments

For the purposes of this Act, a bearer negotiable instrument is:

a bill of exchange; or

a cheque; or

a promissory note; or

a bearer bond; or

a traveller’s cheque; or

a money order, postal order or similar order; or

a negotiable instrument not covered by any of the above paragraphs.

*Incomplete documents*

For the purposes of determining whether a document is covered by paragraph (1)(f) or (g), it is immaterial that the document is incomplete because the document does not specify:

an amount to be paid; or

a payee.

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.

Translation of digital currency to Australian currency

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

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.

Permanent establishment

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.*

For the purposes of this Act, if:

a person; or

an agent of a person acting on behalf of the person; provides a service while:

**Introduction Part 1**

operating on a mobile basis; or

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*

The regulations may provide that, if:

a person provides a specified service wholly or partly by means of one or more electronic communications; and

the conditions set out in the regulations are taken to be satisfied in relation to a particular country;

then:

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

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.

Officials of Commonwealth, State or Territory agencies

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:

the head (however described) of the Commonwealth, State or Territory agency; or

a member or acting member of the Commonwealth, State or Territory agency; or

a member of the staff of the Commonwealth, State or Territory agency; or

an officer or employee of the Commonwealth, State or Territory agency; or

an officer, employee or other individual under the direction of the head (however described) of the Commonwealth, State or Territory agency; or

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:

a legal practitioner (however described) appointed to assist the Commission;

a person authorised under subsection (3).

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:

the person who holds the office or appointment; or

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*

Either:

the sole Commissioner of a Commonwealth Royal Commission or a State/Territory Royal Commission; or

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.

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

**Introduction Part 1**

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.

Crown to be bound

This Act binds the Crown in each of its capacities.

This Act does not make the Crown liable to a pecuniary penalty or to be prosecuted for an offence.

The protection in subsection (2) does not apply to an authority of the Crown.

Extension to external Territories

This Act extends to every external Territory.

Extra-territorial application

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.

Section 14.1 of the Criminal Code does not apply to an offence against this Act.

Simplified outline

The following is a simplified outline of this Part:

**Identification procedures etc. Part 2**

**Identification procedures for certain pre-commencement customers Division 2**

Identification procedures for certain pre-commencement customers

*Scope*

This section applies to the provision by a reporting entity of a designated service (the post-commencement designated service) to a customer if, at a time before the commencement of this section, the reporting entity commenced to provide a designated service to the customer.

*Exemption*

Sections 32 and 34 do not apply to the provision by the reporting entity of the post-commencement designated service to the customer.

Note: For special rules about verification of identity etc., see section 29.

*Interpretation*

For the purposes of this section, assume that Part 1 had been in force at all material times before the commencement of this section.

Verification of identity of pre-commencement customer etc.

*Scope*

This section applies to a reporting entity if:

at a time before the commencement of this section, the reporting entity commenced to provide a designated service to a customer; and

after the commencement of this section, a suspicious matter reporting obligation arises for the reporting entity in relation to the customer.

Note 1: For suspicious matter reporting obligation, see section 41. Note 2: For tipping-off offences, see section 123.

*Requirement*

The reporting entity must:

take such action as is specified in the AML/CTF Rules; and

do so within the time limit allowed under the AML/CTF Rules.

*Civil penalty*

Subsection (2) is a civil penalty provision.

*Interpretation*

For the purposes of this section, assume that Part 1 had been in force at all material times before the commencement of this section.

**Identification procedures etc. Part 2**

**Identification procedures for certain low-risk services Division 3**

Identification procedures for certain low-risk services

*Scope*

This section applies to the provision by a reporting entity of a designated service to a customer if, under the AML/CTF Rules, the service is taken to be a low-risk designated service.

Sections 32 and 34 do not apply to the provision by the reporting entity of the designated service to the customer.

Note: For special rules about verification of identity etc., see section 31.

Verification of identity of low-risk service customer etc.

*Scope*

This section applies to a reporting entity if:

at a particular time (the relevant time), the reporting entity commences to provide a designated service to a customer; and

under the AML/CTF Rules, the service is taken to be a low-risk designated service; and

at the relevant time or a later time, a suspicious matter reporting obligation arises for the reporting entity in relation to the customer.

Note 1: For suspicious matter reporting obligation, see section 41. Note 2: For tipping-off offences, see section 123.

*Requirement*

The reporting entity must:

take such action as is specified in the AML/CTF Rules; and

do so within the time limit allowed under the AML/CTF Rules.

*Civil penalty*

Subsection (2) is a civil penalty provision.

**Identification procedures etc. Part 2**

**Identification procedures etc. Division 4**

Carrying out applicable customer identification procedure before commencement of provision of designated service

A reporting entity must not commence to provide a designated service to a customer unless the reporting entity has carried out the applicable customer identification procedure in respect of the customer.

Note 1: See the definition of commence to provide a designated service in section 5.

Note 2: See sections 37A and 38 (when applicable customer identification procedure taken to be carried out by a reporting entity).

Note 3: See section 41 for reports of suspicious matters when a reporting entity proposes to provide a designated service to a customer.

*Exceptions*

Subsection (1) does not apply if:

there are special circumstances that justify carrying out the applicable customer identification procedure in respect of the customer after the commencement of the provision of the designated service (see section 33); or

the reporting entity has previously carried out the applicable customer identification procedure in respect of the customer; or

section 28 or 30 applies to the provision of the designated service.

*Civil penalty*

Subsection (1) is a civil penalty provision.

Special circumstances that justify carrying out the applicable customer identification procedure after the commencement of the provision of a designated service

For the purposes of this Act, if a reporting entity commences to provide a designated service to a customer, there are taken to be special circumstances that justify the carrying out of the applicable customer identification procedure in respect of the customer after the commencement of the provision of the service if, and only if:

the service is specified in the AML/CTF Rules; and

such other conditions (if any) as are set out in the AML/CTF Rules are satisfied.

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

Carrying out the applicable customer identification procedure after the commencement of the provision of a designated service etc.

If:

a reporting entity has commenced to provide a designated service to a customer; and

when the reporting entity commenced to provide the designated service to the customer, there were special circumstances that justified the carrying out of the applicable customer identification procedure in respect of the customer after the commencement of the provision of the service (see section 33); and

the reporting entity has not previously carried out the applicable customer identification procedure in respect of the customer; and

the reporting entity has not carried out the applicable customer identification procedure in respect of the customer within whichever of the following periods is applicable:

if the designated service is specified in the AML/CTF Rules—the period ascertained in accordance with the AML/CTF Rules; or

**Identification procedures etc. Part 2**

**Identification procedures etc. Division 4**

in any other case—the period of 5 business days after the day on which the reporting entity commenced to provide the service; and

neither section 28 nor section 30 applies to the provision of the service;

then, after the end of the period referred to in whichever of subparagraphs (d)(i) or (ii) is applicable, the reporting entity must not continue to provide, and must not commence to provide, any designated services to the customer until the reporting entity carries out the applicable customer identification procedure in respect of the customer.

***Note 1: See also the definition of commence to provide a designated service***

in section 5.

Note 2: See also sections 37A and 38 (when applicable customer identification procedure deemed to be carried out by a reporting entity).

Subsection (1) does not apply if:

under the AML/CTF Rules, the reporting entity is not required to carry out the applicable customer identification procedure in respect of the customer; and

the reporting entity takes such action as is specified in the AML/CTF Rules.

*Civil penalty*

Subsection (1) is a civil penalty provision.

*Periods*

A period ascertained in accordance with AML/CTF Rules made for the purposes of subparagraph (1)(d)(i):

must commence at the time when the reporting entity commences to provide the designated service concerned; and

may be expressed to end on the occurrence of a specified event.

Paragraph (4)(b) does not limit subparagraph (1)(d)(i).

Verification of identity of customer etc.

*Scope*

This section applies to a reporting entity if:

at a particular time, the reporting entity has carried out, or has purported to carry out, the applicable customer identification procedure in respect of a particular customer to whom the reporting entity provided, or proposed to provide, a designated service; and

at a later time, any of the following subparagraphs applies:

an event prescribed by the AML/CTF Rules happens;

a circumstance specified in the AML/CTF Rules comes into existence;

a period ascertained in accordance with the AML/CTF Rules ends.

Note: See also sections 37A and 38 (when applicable customer identification procedure deemed to be carried out by a reporting entity).

*Requirement*

The reporting entity must:

take such action as is specified in the AML/CTF Rules; and

do so within the time limit allowed under the AML/CTF Rules.

*Civil penalty*

Subsection (2) is a civil penalty provision.

**Identification procedures etc. Part 2**

Use and disclosure of personal information for the purposes of verifying an individual’s

**identity Division 5A**

Section 35A

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

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:

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):

the individual’s name;

the individual’s residential address;

the individual’s date of birth; and

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.

A reporting entity must not make a verification request in relation to an individual unless, before making the request:

the individual was given information about:

the reasons for making the request; and

the personal information about the individual that may be disclosed to the credit reporting body; and

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

the fact that the credit reporting body may prepare and provide to the reporting entity such an assessment; and

Section 35B

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

the individual expressly agreed to the making of the request and the disclosure of the personal information; and

an alternative means of verifying the identity of the individual was made available to the individual.

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

A credit reporting body that receives a verification request from a reporting entity in relation to an individual may:

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:

the individual’s name;

the individual’s residential address;

the individual’s date of birth; and

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.

An assessment provided under subsection (1) to a reporting entity:

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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Use and disclosure of personal information for the purposes of verifying an individual’s

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must not include separate assessments of the match between particular categories of that personal information.

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

This section applies if:

a reporting entity makes a verification request in relation to an individual; and

an assessment is provided in relation to the individual; and

the reporting entity is unable to verify the identity of the individual, having regard to the assessment.

The reporting entity must give a written notice to the individual:

stating that the reporting entity is unable to verify the identity of the individual having regard to the assessment; and

specifying the name of the credit reporting body that provided the assessment; and

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

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:

Section 35F

the name of the reporting entity that made the request;

the date on which the request was made;

the personal information about the individual that was provided by the reporting entity to the credit reporting body;

the date on which the credit reporting body provided an assessment (if any) in relation to the individual;

such other information about the verification request as is specified in the AML/CTF Rules.

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*

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

35F Retention of verification information—reporting entities

A reporting entity that makes a verification request in relation to an individual must make a record of the following;

the name of the credit reporting body to which the request was made;

the personal information about the individual that was provided by the reporting entity to the credit reporting body;

the assessment (if any) provided by the credit reporting body in relation to the individual;

such other information about the verification request as is specified in the AML/CTF Rules.

The reporting entity must retain the record, or a copy of the record, until the end of the first 7 year period:

that began at a time after the verification request was made; and

throughout the whole of which the reporting entity did not provide any designated services to the individual.

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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*

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

*Designated business groups*

If:

a reporting entity is part of a designated business group; and

such other conditions as are specified in the AML/CTF Rules are satisfied;

the obligation imposed on the reporting entity by subsection (2) or

may be discharged by any other member of the group.

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

A person commits an offence if:

the person obtains access to information; and

the information is personal information that relates to a verification request or an assessment in relation to an individual.

Penalty: 300 penalty units.

Section 35J

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:

the person obtains access to information; and

the information is personal information that relates to a verification request or an assessment in relation to an individual; and

the information is obtained by false pretence. Penalty: 300 penalty units.

35K Unauthorised use or disclosure of verification information— offence

A person commits an offence if:

the person uses or discloses information; and

the information is personal information that relates to a verification request or an assessment in relation to an individual.

Penalty: 300 penalty units.

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).

**Identification procedures etc. Part 2**

Use and disclosure of personal information for the purposes of verifying an individual’s

**identity Division 5A**

Section 35L

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.

Ongoing customer due diligence

A reporting entity must:

monitor the reporting entity’s customers in relation to the provision by the reporting entity of designated services at or through a permanent establishment of the reporting entity in Australia, with a view to:

identifying; and

mitigating; and

managing;

the risk the reporting entity may reasonably face that the provision by the reporting entity of a designated service at or through a permanent establishment of the reporting entity in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

financing of terrorism; and

do so in accordance with the AML/CTF Rules.

*Civil penalty*

Subsection (1) is a civil penalty provision.

*Exemption*

This section 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.

**Identification procedures etc. Part 2**

**Ongoing customer due diligence Division 6**

*Designated business groups*

If a reporting entity is a member of a designated business group, the obligation imposed on the reporting entity by subsection (1) may be discharged by any other member of the group.

*Registered remittance affiliates*

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.

Applicable customer identification procedures may be carried out by an agent of a reporting entity

The principles of agency apply in relation to the carrying out by a reporting entity of an applicable customer identification procedure or an identity verification procedure.

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 carrying out the applicable customer identification procedures in respect of its customers.

For example, a reporting entity may authorise another person to be its agent for the purposes of carrying out applicable customer identification procedures or identity verification procedures on the reporting entity’s behalf.

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:

that agent; or

any other person;

to be its agent for the purposes of carrying out the applicable customer identification procedure or an identity verification procedure in respect of the customer on the reporting entity’s behalf.

This section does not otherwise limit the operation of the principles of agency for the purposes of this Act.

37A Reliance on applicable customer identification procedures or other procedures—agreements or arrangements

This section applies if:

a reporting entity (the first entity) enters into a written agreement or arrangement with another person relating to the

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Section 37A

first entity’s reliance on applicable customer identification procedures, or other procedures of a kind prescribed by the AML/CTF Rules, carried out by the other person; and

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.

If:

the agreement or arrangement is in force; and

the first entity has complied with section 37B in relation to the agreement or arrangement; and

the first entity is providing, or proposes to provide, a designated service to a customer; and

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

the requirements prescribed by the AML/CTF Rules are satisfied;

this Act (other than Part 10) has effect as if the first entity had carried out the applicable customer identification procedure in respect of that customer and that designated service.

If:

the agreement or arrangement is in force; and

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.

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.

Section 37B

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

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:

carry out assessments in accordance with the AML/CTF Rules; and

carry out those assessments at the times worked out in accordance with the AML/CTF Rules; and

prepare a written record of each assessment within 10 business days after the day of completing the assessment.

*Civil penalty*

Subsection (1) is a civil penalty provision.

Reliance on applicable customer identification procedures or other procedures—other circumstances

If:

a reporting entity (the first entity) is providing, or proposes to provide, a designated service to a customer; and

another person has carried out an applicable customer identification procedure, or another procedure of a kind prescribed by the AML/CTF Rules, in respect of that customer; and

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

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 or financing of terrorism; and

**Identification procedures etc. Part 2**

**General provisions Division 7**

the requirements prescribed by the AML/CTF Rules are satisfied;

this Act (other than Part 10) has effect as if the first entity had carried out the applicable customer identification procedure in respect of that customer and that designated service.

General exemptions

This Part does not apply to a designated service that is of a kind specified in the AML/CTF Rules.

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.

This Part does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.

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.

This Part 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.

This Part (other than Division 6) does not apply to a designated service covered by item 40, 42 or 44 of table 1 in section 6.

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.

**Reporting obligations Part 3**

**Introduction Division 1**

Simplified outline

The following is a simplified outline of this Part:

Reports of suspicious matters

*Suspicious matter reporting obligation*

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):

the reporting entity commences to provide, or proposes to provide, a designated service to the first person; or

both:

the first person requests the reporting entity to provide a designated service to the first person; and

the designated service is of a kind ordinarily provided by the reporting entity; or

both:

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

the designated service is of a kind ordinarily provided by the reporting entity;

and any of the following conditions is satisfied:

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;

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;

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:

**Reporting obligations Part 3**

**Suspicious matters Division 2**

may be relevant to investigation of, or prosecution of a person for, an evasion, or an attempted evasion, of a taxation law; or

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

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

may be of assistance in the enforcement of the Proceeds of Crime Act 2002 or regulations under that Act; or

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;

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;

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;

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;

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

*Report*

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:

if paragraph (1)(d), (e), (f), (i) or (j) applies—3 business days after the day on which the reporting entity forms the relevant suspicion; or

if paragraph (1)(g) or (h) applies—24 hours after the time when the reporting entity forms the relevant suspicion.

A report under subsection (2) must:

be in the approved form; and

contain such information relating to the matter as is specified in the AML/CTF Rules; and

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.

*Civil penalty*

Subsection (2) is a civil penalty provision.

*Reasonable grounds for suspicion*

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.

**Reporting obligations Part 3**

**Suspicious matters Division 2**

Exemptions

This Division does not apply to a designated service that is of a kind specified in the AML/CTF Rules.

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.

This Division does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.

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.

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.

Reports of threshold transactions

*Scope*

This section applies to a reporting entity if:

the reporting entity commences to provide, or provides, a designated service to a customer; and

the provision of the service involves a threshold transaction.

*Report*

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.

A report under subsection (2) must:

be in the approved form; and

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.

*Civil penalty*

Subsection (2) is a civil penalty provision.

Exemptions

This Division does not apply to a designated service that is of a kind specified in the AML/CTF Rules.

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.

**Reporting obligations Part 3**

**Threshold transactions Division 3**

This Division does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.

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.

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.

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.

Reports of international funds transfer instructions

*Scope*

This section applies to a person if:

the person is:

the sender of an international funds transfer instruction transmitted out of Australia; or

the recipient of an international funds transfer instruction transmitted into Australia; and

if the regulations provide that this paragraph is applicable— the total amount or value that is to be, or is, transferred is not less than the amount specified in the regulations; and

such other conditions (if any) as are set out in the AML/CTF Rules are satisfied.

Note: International funds transfer instruction is defined by section 46.

*Report*

The person must, within 10 business days after the day on which the instruction was sent or received by the person, give the AUSTRAC CEO a report about the instruction.

A report under subsection (2) must:

be in the approved form; and

contain such information relating to the matter as is specified in the AML/CTF Rules.

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

*Civil penalty*

Subsection (2) is a civil penalty provision.

**Reporting obligations Part 3**

**International funds transfer instructions Division 4**

*Funds transfer chain etc.*

For the purposes of this section, it is immaterial whether the person sent or received the international funds transfer instruction in the capacity of interposed institution in a funds transfer chain.

Note: For funds transfer chain, see subsection 64(2).

*Exemptions*

This section does not apply to an international funds transfer instruction that is of a kind specified in the AML/CTF Rules.

This section does not apply to an international funds transfer instruction that is sent or received in circumstances specified in the AML/CTF Rules.

International funds transfer instruction

For the purposes of this Act, the following table defines

international funds transfer instruction:

**International funds transfer instruction**

**Item Type of instruction The instruction is an international funds transfer instruction if ...**

electronic funds transfer instruction (a) the instruction is accepted at or

through a permanent establishment of the ordering institution in Australia; and

the transferred money is to be, or is, made available to the payee at or through a permanent establishment of the beneficiary institution in a foreign country

**International funds transfer instruction**

**Item Type of instruction The instruction is an international funds transfer instruction if ...**

electronic funds transfer instruction (a) the instruction is accepted at or

through a permanent establishment of the ordering institution in a foreign country; and

the transferred money is to be, or is, made available to the payee at or through a permanent establishment of the beneficiary institution in Australia

instruction given by a transferor entity for the transfer of money or property under a designated remittance arrangement

instruction given by a transferor entity for the transfer of money or property under a designated remittance arrangement

the instruction is accepted at or through a permanent establishment of a non-financier in Australia; and

the money or property is to be, or is, made available to the ultimate transferee entity at or through a permanent establishment of a person in a foreign country

the instruction is accepted at or through a permanent establishment of a person in a foreign country; and

the money or property is to be, or is, made available to the ultimate transferee entity at or through a permanent establishment of a non-financier in Australia

**Reporting obligations Part 3**

**AML/CTF compliance reports Division 5**

AML/CTF compliance reports

*Scope*

This section applies if the AML/CTF Rules provide that, for the purposes of this section:

a specified period is a reporting period; and

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*

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.

A report under subsection (2) must:

be in the approved form; and

contain such information as is required by the approved form.

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

*Civil penalty*

Subsection (2) is a civil penalty provision.

*Exemption*

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.

*Designated business groups*

If a reporting entity is a member of a designated business group, the obligation imposed on the reporting entity by subsection (2) may be discharged by any other member of the group.

If 2 or more reporting entities are members of a designated business group, reports under subsection (2) relating to those reporting entities may be set out in the same document.

*Different reporting entities*

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.

Self-incrimination

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.

However:

the report given; or

giving the report;

is not admissible in evidence against the person:

in civil proceedings other than:

proceedings under section 175 for a contravention of subsection 47(2); or

proceedings under the Proceeds of Crime Act 2002 that relate to this Act; or

in criminal proceedings other than:

proceedings for an offence against section 136 that relates to section 47; or

**Reporting obligations Part 3**

**AML/CTF compliance reports Division 5**

proceedings for an offence against section 137.1 of the

Criminal Code that relates to section 47 of this Act.

Further information to be given to the AUSTRAC CEO etc.

If a reporting entity communicates information to the AUSTRAC CEO under section 41, 43 or 45, then:

the AUSTRAC CEO; or

the Commissioner of the Australian Federal Police; or

the Chief Executive Officer of the Australian Crime Commission; or

the Commissioner of Taxation; or

the Comptroller-General of Customs; or

the National Anti-Corruption Commissioner; or

an investigating officer who is carrying out an investigation arising from, or relating to the matters mentioned in, the information;

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

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

to produce, within the period and in the manner specified in the notice, such documents as are:

specified in the notice; and

relevant to the matter to which the communication under section 41, 43 or 45 relates; and

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.

**Reporting obligations Part 3**

**General provisions Division 6**

Section 49A

(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:

the recipient is the reporting entity who communicated information to the AUSTRAC CEO under section 41, 43 or 45; or

both of the following apply:

the issuer considers that specifying a shorter period is necessary;

the shorter period specified is reasonable in the circumstances.

*Compliance*

A person must comply with a notice under subsection (1).

*Civil penalty*

Subsection (2) is a civil penalty provision.

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

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.

Without limiting subsection (1), the AML/CTF Rules may provide:

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

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

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.

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

*Scope*

This section applies to a reporting entity if:

under section 49, the AUSTRAC CEO or the Commissioner of Taxation has required the reporting entity to give information about the identity of:

the holder of, or a signatory to, a particular credit card account; or

the holder of, or a signatory to, a particular debit card account; and

the account relates to a credit card, or a debit card, that was issued by a person (the card issuer) outside Australia; and

the reporting entity does not have that information.

*Direction to reporting entity*

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.

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*

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:

**Reporting obligations Part 3**

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Section 50A

20 business days after the day on which the subsection (2) direction was given; or

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.

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:

20 business days after the day on which the subsection (2) direction was given; or

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.

A report under subsection (4) or (5) must:

be in the approved form; and

in a case where the card issuer has given the information to the reporting entity—contain the information; and

contain such other information (if any) relating to the matter as is required by the approved form.

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

*Civil penalty*

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

50A Secrecy—information obtained under section 49

A person commits an offence if:

the person is, or has been, an entrusted investigating official; and

the person has obtained information under section 49 or this section; and

the person makes a record of, discloses or otherwise uses the information.

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

*Exception*

Subsection (1) does not apply if:

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

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*

Except where it is necessary to do so for the purposes of giving effect to this Act or the Financial Transaction Reports Act 1988, a person who is, or has been, an entrusted investigating official is not to be required:

to produce a document containing information obtained by the person under section 49 or this section to a court or tribunal; or

to disclose information obtained by the person under section 49 or this section to a court or tribunal.

If a person, or an officer, employee or agent of a person, communicates or gives information under section 41, 43, 45 or 49,

**Reporting obligations Part 3**

**General provisions Division 6**

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.

Section 51A

51A Simplified outline

The following is a simplified outline of this Part:

51B Reporting entities must enrol

If:

a person commences to provide a designated service; and

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.

Subsection (1) does not apply if the person:

has applied under subsection 51E(1) in relation to the provision of another designated service; and

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:

**Reporting Entities Roll Part 3A**

Section 51C

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

the person does not apply for enrolment by that time; then the obligation to apply for enrolment continues until:

the person applies for enrolment; or

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:

on or after the day on which the enrolment deadline occurs; and

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*

Subsection (1) is a civil penalty provision.

51C Reporting Entities Roll

The AUSTRAC CEO must maintain a roll for the purposes of this Part, to be known as the Reporting Entities Roll.

The AUSTRAC CEO may maintain the Reporting Entities Roll by electronic means.

The Reporting Entities Roll is not a legislative instrument.

Section 51D

The AML/CTF Rules may make provision for and in relation to either or both of the following:

the correction of entries in the Reporting Entities Roll;

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:

the person’s name; and

the person’s enrolment details.

51E Applications for enrolment

A person may apply in writing to the AUSTRAC CEO for enrolment as a reporting entity.

The application must:

be in accordance with the approved form, or in a manner specified in the AML/CTF Rules; and

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.

A person who is required by subsection (1) to advise the AUSTRAC CEO of a change in enrolment details must do so:

within 14 days of the change arising; and

in accordance with the approved form, or in a manner specified in the AML/CTF Rules.

**Reporting Entities Roll Part 3A**

Section 51G

*Civil penalty*

Subsection (1) is a civil penalty provision.

51G Removal of entries from the Reporting Entities Roll

A person may, in writing, request the AUSTRAC CEO to remove the person’s name and enrolment details from the Reporting Entities Roll.

The request must:

be in the approved form; and

contain the information required by the AML/CTF Rules.

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:

whether the person has ceased to provide designated services; and

the likelihood of the person providing a designated service in the financial year beginning after the request is given; and

any outstanding obligations the person has (if any) to provide a report under any of the following provisions:

section 43 (threshold transaction reports);

section 45 (international funds transfer instruction reports);

section 47 (AML/CTF compliance reports).

Simplified outline of this Part

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

**Reports about monetary instruments Division 2**

Reports about movements of monetary instruments into or out of Australia

*Offence*

A person commits an offence if:

either:

the person moves one or more monetary instruments into Australia; or

the person moves one or more monetary instruments out of Australia; and

the sum of the monetary instrument amounts is $10,000 or more; and

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*

A person must not:

move one or more monetary instruments into Australia; or

move one or more monetary instruments out of Australia; if:

the sum of the monetary instrument amounts is $10,000 or more; and

a report in respect of the movement is not given in accordance with this section.

Subsection (2) is a civil penalty provision.

*Commercial carriers*

Subsections (1) and (2) do not apply to a person if:

the person is a commercial passenger carrier; and

the monetary instruments are in the possession of any of the carrier’s passengers.

Subsections (1) and (2) do not apply to a person if:

the person is a commercial goods carrier; and

the monetary instruments are carried on behalf of another person.

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*

A report under this section must:

be in the approved form; and

contain the information specified in the AML/CTF Rules; and

be given to the AUSTRAC CEO, a customs officer or a police officer; and

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).

Reports about receipts of monetary instruments moved into Australia

*Offence*

A person commits an offence if:

the person receives one or more monetary instruments moved into Australia to the person; and

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

**Reports about monetary instruments Division 2**

at the time of the receipt, the sum of the monetary instrument amounts is $10,000 or more; and

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*

A person must not receive one or more monetary instruments moved into Australia to the person if:

at the time of the receipt, the sum of the monetary instrument amounts is $10,000 or more; and

a report in respect of the receipt is not given in accordance with this section.

Subsection (2) is a civil penalty provision.

*Requirements for reports under this section*

A report under this section must:

be in the approved form; and

contain the information specified in the AML/CTF Rules; and

be given to the AUSTRAC CEO, a customs officer or a police officer; and

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).

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.

Movements of monetary instruments out of Australia

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.

For the purposes of this Act, if:

a person arranges to leave Australia on an aircraft or ship; and

either:

the person has a monetary instrument in the person’s baggage, and the person enters a place at which customs officers examine passports; or

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.

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.

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

**Information about reporting obligations Division 4**

Power to affix notices about reporting obligations

*Scope*

This section applies to a written notice:

that relates to reporting obligations under this Part; and

the form and contents of which are specified in the AML/CTF Rules.

*Power to affix notices*

A customs officer may affix, or arrange for another person to affix, one or more notices:

on any part of an aircraft or ship; or

in any other place specified in the AML/CTF Rules.

*Offence*

A person commits an offence if:

a notice has been affixed under this section; and

the person engages in conduct; and

the person’s conduct results in:

interference with the notice; or

the removal of the notice; or

defacement of the notice. Penalty: 50 penalty units.

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).

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

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

Notice about reporting obligations to be given to travellers to Australia

*Scope*

This section applies to a written notice:

that relates to reporting obligations under this Part; and

the form and contents of which are specified in the AML/CTF Rules.

*Notice to be given to travellers*

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:

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

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*

A person commits an offence if:

the person is subject to a requirement under subsection (2); and

the person engages in conduct; and

the person’s conduct breaches the requirement. Penalty: 50 penalty units.

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

**Information about reporting obligations Division 4**

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

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

Simplified outline

The following is a simplified outline of this Part:

**Electronic funds transfer instructions Part 5**

**2 or more institutions involved in the transfer Division 2**

Electronic funds transfer instructions—2 or more institutions involved in the transfer

*Scope*

This section applies to:

a multiple-institution person-to-person electronic funds transfer instruction; or

a multiple-institution same-person electronic funds transfer instruction.

Note: For exemptions, see section 67.

*Funds transfer chain*

For the purposes of this Act:

the following persons are taken to form a funds transfer chain:

the ordering institution;

each person (if any) interposed between the ordering institution and the beneficiary institution;

the beneficiary institution; and

each person in the chain is to be known as an institution.

*Obligations of ordering institution*

If the transfer instruction is accepted by the ordering institution at or through a permanent establishment of the ordering institution in Australia, then, before the ordering institution:

passes on the transfer instruction; or

dispatches the transfer instruction; or

takes any other action to carry out the transfer instruction; the ordering institution must obtain the complete payer information.

Note: For complete payer information, see section 71.

If:

the transfer instruction is accepted by the ordering institution at or through a permanent establishment of the ordering institution in Australia; and

the AUSTRAC CEO, by written notice given to the ordering institution, requests the ordering institution to give the complete payer information to the AUSTRAC CEO;

the ordering institution must comply with the request within:

if the request was given to the ordering institution within 6 months after the acceptance of the transfer instruction by the ordering institution—3 business days after the day on which the request was given; or

otherwise—10 business days after the day on which the request was given.

Note: For complete payer information, see section 71.

If:

the transfer instruction is accepted by the ordering institution at or through a permanent establishment of the ordering institution in Australia; and

the beneficiary institution, by written notice given to the ordering institution, requests the ordering institution to give the complete payer information to the beneficiary institution;

the ordering institution must comply with the request within:

if the request was given to the ordering institution within 6 months after the acceptance of the transfer instruction by the ordering institution—3 business days after the day on which the request was given; or

otherwise—10 business days after the day on which the request was given.

Note: For complete payer information, see section 71.

If:

the ordering institution is in the funds transfer chain; and

**Electronic funds transfer instructions Part 5**

**2 or more institutions involved in the transfer Division 2**

the transfer instruction is accepted by the ordering institution at or through a permanent establishment of the ordering institution in Australia;

then, before the ordering institution passes on the transfer instruction to another person in the chain, the ordering institution must ensure that the instruction includes the required transfer information.

Note: For required transfer information, see section 70.

*Obligations of interposed institutions in the funds transfer chain*

If:

an institution is in the funds transfer chain; and

either:

the institution is an interposed institution and the transfer instruction is passed on to the institution at or through a permanent establishment of the institution in Australia; or

the institution is an interposed institution and the transfer instruction is to be passed on by the institution at or through a permanent establishment of the institution in Australia; and

either:

the transfer instruction is accepted by the ordering institution at or through a permanent establishment of the ordering institution in Australia; or

the making available by the beneficiary institution of the transferred money would take place at or through a permanent establishment of the beneficiary institution in Australia; and

some or all of the required transfer information was passed on to the institution by another institution in the funds transfer chain;

then:

if the transfer instruction was accepted by the ordering institution at or through a permanent establishment of the

ordering institution in a foreign country—before passing on the transfer instruction to another institution in the chain, the interposed institution must ensure that the instruction includes the tracing information; or

in any other case—before passing on the transfer instruction to another institution in the chain, the interposed institution must ensure that the instruction includes so much of the required transfer information as was passed on to the interposed institution as mentioned in paragraph (d).

Note 1: For required transfer information, see section 70. Note 2: For tracing information, see section 72.

*Civil penalty*

Subsections (3), (4), (5), (6) and (7) are civil penalty provisions.

Request to include customer information in certain international electronic funds transfer instructions

*Scope*

This section applies to:

a multiple-institution person-to-person electronic funds transfer instruction; or

a multiple-institution same-person electronic funds transfer instruction;

if:

the instruction is accepted at or through a permanent establishment of the ordering institution in a foreign country; and

the transferred money is to be, or is, made available to the payee at or through a permanent establishment of the beneficiary institution in Australia.

Note: For exemptions, see section 67.

**Electronic funds transfer instructions Part 5**

**2 or more institutions involved in the transfer Division 2**

*Direction to beneficiary institution*

If:

the beneficiary institution has received 2 or more electronic funds transfer instructions from a particular ordering institution; and

at least one of the electronic funds transfer instructions does not include the required transfer information; and

the AUSTRAC CEO, by written notice given to the beneficiary institution, directs the beneficiary institution to give the ordering institution a request (in a form specified in the notice) to include required transfer information in all future electronic funds transfer instructions passed on by the ordering institution to the beneficiary institution;

the beneficiary institution must comply with the direction within 10 business days after the day on which the direction is given.

*Report by beneficiary institution*

If the beneficiary institution gives the ordering institution a request under subsection (2), the beneficiary institution must, within:

20 business days after the day on which the subsection (2) direction was given; or

if the AUSTRAC CEO, by written notice given to the beneficiary institution, allows a longer period—that longer period;

give the AUSTRAC CEO a report about the ordering institution’s response, or lack of response, to the request.

A report under subsection (3) must:

be in the approved form; and

contain such information relating to the matter as is required by the approved form.

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

*Civil penalty*

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

*Powers of beneficiary institution*

If an electronic funds transfer instruction received by the beneficiary institution does not include the required transfer information, the beneficiary institution may, for the purpose set out in subsection (7), refuse to make the transferred money available to the payee until the required transfer information is passed on to the beneficiary institution.

The purpose referred to in subsection (6) is to:

identify; or

mitigate; or

manage;

the risk the beneficiary institution may reasonably face that the making available by the beneficiary institution of transferred money at or through a permanent establishment of the beneficiary institution in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

financing of terrorism.

*Protection from liability*

An action, suit or proceeding (whether criminal or civil) does not lie against:

the beneficiary institution; or

an officer, employee or agent of the beneficiary institution 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 beneficiary institution, officer, employee or agent in the exercise, or purported exercise, of the power conferred by subsection (6).

**Electronic funds transfer instructions Part 5**

**Only one institution involved in the transfer Division 3**

Electronic funds transfer instructions—only one institution involved in the transfer

*Scope*

This section applies to:

a same-institution person-to-person electronic funds transfer instruction; or

a same-institution same-person electronic funds transfer instruction if the instruction is to be carried out otherwise than by way of transferring money from an account held by the payer with the ordering institution in a particular country to another account held by the payer with the ordering institution in that country.

Note: For exemptions, see section 67.

*Obligations of beneficiary institution*

If:

the transfer instruction is accepted by the ordering institution at or through a permanent establishment of the ordering institution in Australia; or

the making available by the beneficiary institution of the transferred money would take place at or through a permanent establishment of the beneficiary institution in Australia;

then, before the beneficiary institution makes the transferred money available to the payee, the beneficiary institution must obtain the complete payer information.

Note: For complete payer information, see section 71.

If:

either:

the transfer instruction is accepted by the ordering institution at or through a permanent establishment of the ordering institution in Australia; or

the making available by the beneficiary institution of the transferred money would take place at or through a permanent establishment of the beneficiary institution in Australia; and

the AUSTRAC CEO, by written notice given to the ordering institution, requests the institution to give the complete payer information to the AUSTRAC CEO;

the ordering institution must comply with the request within:

if the request was given to the ordering institution within 6 months after the acceptance of the transfer instruction by the ordering institution—3 business days after the day on which the request was given; or

otherwise—10 business days after the day on which the request was given.

Note: For complete payer information, see section 71.

*Civil penalty*

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

**Electronic funds transfer instructions Part 5**

**General provisions Division 4**

Exemptions

*Approved third-party bill payment systems*

This Part does not apply to an instruction that arises from the use of an approved third-party bill payment system.

*Debit cards and credit cards*

This Part does not apply to an instruction that arises from the use of a debit card or a credit card if:

the use does not involve obtaining a cash advance; and

the number of the card is included in the instruction; and

the card is not of a kind specified in the AML/CTF Rules; and

the use does not take place in circumstances of a kind specified in the AML/CTF Rules.

(2A) This Part does not apply to an instruction that arises from the use of a debit card or a credit card at a branch of a financial institution if:

the number of the card is included in the instruction; and

the card is not of a kind specified in the AML/CTF Rules; and

the use does not take place in circumstances of a kind specified in the AML/CTF Rules.

*Cheques*

This Part does not apply to an instruction given by way of a cheque unless the cheque is of a kind specified in the AML/CTF Rules.

*ATMs*

This Part does not apply to an instruction given by the use of an ATM if:

the ATM is not of a kind specified in the AML/CTF Rules; and

the use does not take place in circumstances of a kind specified in the AML/CTF Rules.

*Merchant terminals*

(4A) This Part does not apply to an instruction given by way of the operation of a merchant terminal if:

the operation is authorised by a financial institution; and

the merchant terminal is not of a kind specified in the AML/CTF Rules; and

the operation does not take place in circumstances of a kind specified in the AML/CTF Rules.

*Inter-financial institution transfers*

This Part does not apply to a transfer of money between 2 financial institutions if each financial institution acts on its own behalf.

*Prescribed instructions*

This Part does not apply to an instruction of a kind prescribed by the AML/CTF Rules.

Defence of relying on information supplied by another person

*Scope*

This section applies to section 175 proceedings for a contravention of a civil penalty provision of Division 2 or 3.

*Defence*

In the proceedings, it is a defence if the defendant proves that:

**Electronic funds transfer instructions Part 5**

**General provisions Division 4**

the contravention in respect of which the proceedings were instituted was due to reasonable reliance on information given by another person; and

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.

If a person, or an officer, employee or agent of a person, communicates or gives information to the AUSTRAC CEO under section 64 or 66, 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.

Required transfer information

For the purposes of the application of this Act to an electronic funds transfer instruction, the required transfer information is:

if:

the transfer instruction is of a kind specified in the AML/CTF Rules; or

the ordering institution accepts the transfer instruction in circumstances specified in the AML/CTF Rules; or

the transfer instruction is, or is to be, passed on, or carried out, in circumstances specified in the AML/CTF Rules;

the tracing information; or

if:

the ordering institution accepts the transfer instruction at or through a permanent establishment of the ordering institution in a particular country; and

the beneficiary institution makes, or is to make, the money available at or through a permanent establishment of the beneficiary institution in another country; and

the transfer instruction is a batched electronic funds transfer instruction; and

paragraph (a) does not apply; the tracing information; or

if:

the ordering institution accepts the transfer instruction at or through a permanent establishment of the ordering institution in a particular country; and

the beneficiary institution makes, or is to make, the money available at or through a permanent establishment of the beneficiary institution in another country; and

the transfer instruction is not a batched electronic funds transfer instruction; and

paragraph (a) does not apply; the complete payer information; or

if:

the ordering institution accepts the transfer instruction at or through a permanent establishment of the ordering institution in Australia; and

the beneficiary institution makes, or is to make, the money available at or through a permanent establishment of the beneficiary institution in Australia; and

paragraph (a) does not apply; the tracing information.

Note 1: For complete payer information, see section 71. Note 2: For tracing information, see section 72.

Complete payer information

For the purposes of the application of this Act to an electronic funds transfer instruction, the complete payer information is:

the name of the payer; and

one of the following:

**Electronic funds transfer instructions Part 5**

**General provisions Division 4**

the payer’s full business or residential address (not being a post office box);

a unique identification number given to the payer by the Commonwealth or an authority of the Commonwealth (for example, an Australian Business Number or an Australian Company Number);

a unique identification number given to the payer by the government of a foreign country;

the identification number given to the payer by the ordering institution;

if the payer is an individual—the payer’s date of birth, the country of the payer’s birth and the town, city or locality of the payer’s birth; and

if the money is, or is to be, transferred from a single account held by the payer with the ordering institution in Australia— the account number for the account; and

if paragraph (c) does not apply—either:

a unique reference number for the transfer instruction; or

if the money is, or is to be, transferred from a single account held by the payer with the ordering institution—the account number for the account.

Tracing information

For the purposes of the application of this Act to an electronic funds transfer instruction, the tracing information is:

if the money is to be transferred from an account held by the payer with the ordering institution—the account number; or

in any case—a unique reference number for the transfer instruction.

Simplified outline

The following is a simplified outline of this Part:

**The Remittance Sector Register Part 6**

**Restrictions on providing certain remittance services Division 2**

Unregistered persons must not provide certain remittance services

*Registrable remittance network services*

A person (the first person) must not provide a registrable remittance network service to another person if:

the first person is not a registered remittance network provider; or

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 designated remittance services—independents*

(1A) A person must not provide a registrable designated remittance service if:

the person provides the service other than as part of a remittance network operated by a registered remittance network provider; and

the person is not a registered independent remittance dealer.

*Registrable designated remittance services—affiliates*

(1B) A person must not provide a registrable designated remittance service if:

the person provides the service as part of a remittance network operated by a registered remittance network provider; and

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 remittance network provider;

an independent remittance dealer;

a remittance affiliate of a registered remittance network provider.

*Offences*

A person commits an offence if:

the person is subject to a requirement under subsection (1), (1A), (1B) or (1C); and

the person engages in conduct; and

the person’s conduct breaches the requirement.

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

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

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

A person commits an offence if:

the person is subject to a requirement under subsection (1), (1A), (1B) or (1C); and

the person engages in conduct; and

the person’s conduct breaches the requirement; and

the AUSTRAC CEO previously:

gave the person a direction under subsection 191(2) in relation to subsection (1), (1A), (1B) or (1C) of this section; or

accepted an undertaking given by the person under section 197 in relation to subsection (1), (1A), (1B) or (1C) of this section; and

that was the only occasion on which the AUSTRAC CEO previously gave such a direction to, or accepted such an undertaking from, the person.

**The Remittance Sector Register Part 6**

**Restrictions on providing certain remittance services Division 2**

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

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

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

A person commits an offence if:

the person is subject to a requirement under subsection (1), (1A), (1B) or (1C); and

the person engages in conduct; and

the person’s conduct breaches the requirement; and

the AUSTRAC CEO previously:

gave the person a direction under subsection 191(2) in relation to subsection (1), (1A), (1B) or (1C) of this section; or

accepted an undertaking given by the person under section 197 in relation to subsection (1), (1A), (1B) or (1C) of this section; and

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.

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

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

A person commits an offence if:

the person is subject to a requirement under subsection (1), (1A), (1B) or (1C); and

the person engages in conduct; and

the person’s conduct breaches the requirement; and

either:

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

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.

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

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

*Civil penalty*

Subsections (1), (1A), (1B) and (1C) are civil penalty provisions.

**The Remittance Sector Register Part 6**

**Registration of persons Division 3**

Remittance Sector Register

The AUSTRAC CEO must maintain a register for the purposes of this Part, to be known as the Remittance Sector Register.

The AUSTRAC CEO may maintain the Remittance Sector Register by electronic means.

The Remittance Sector Register is not a legislative instrument.

The AML/CTF Rules may make provision for and in relation to the following:

the correction of entries in the Remittance Sector Register;

the publication of the Remittance Sector Register in whole or part, or of specified information entered on the Remittance Sector Register;

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:

the name of the person;

whether the person is registered as:

a remittance network provider; or

an independent remittance dealer; or

a remittance affiliate of a registered remittance network provider;

if the person is registered as a remittance affiliate of a registered remittance network provider—the name of the registered remittance network provider;

Section 75B

any conditions to which the registration of the person is subject;

the date on which the registration takes effect;

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

A person may apply in writing to the AUSTRAC CEO for registration as:

a remittance network provider; or

an independent remittance dealer; or

subject to subsection (5)—a remittance affiliate of a registered remittance network provider.

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.

An application under subsection (1) or (2) must:

be in the approved form; and

contain the information required by the AML/CTF Rules.

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).

A person may apply for registration as a remittance affiliate of a registered remittance network provider as mentioned in paragraph (1)(c) only if:

either:

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**Registration of persons Division 3**

Section 75B

when the person makes the application, the person is a registered independent remittance dealer; or

the application is made in conjunction with an application by the person for registration as a registered independent remittance dealer; and

the registered remittance network provider has consented to the making of the application.

*Deemed refusal in certain circumstances*

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:

the day the application is made;

if the AUSTRAC CEO requests information under subsection 75N(1) in relation to the application—the last day such information is provided;

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).

However, if the AUSTRAC CEO determines in writing that:

the application cannot be dealt with properly within the 90 day period, either because of its complexity or because of other special circumstances; and

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.

Section 75C

75C Registration by AUSTRAC CEO

*When section applies*

This section applies if an application has been made under section 75B for registration of a person.

*When AUSTRAC CEO must register a person*

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:

whether registering the person would involve a significant money laundering, financing of terrorism, people smuggling or other serious crime risk; and

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*

Without limiting the matters that the AML/CTF Rules may specify under paragraph (2)(b), the matters may relate to the following:

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;

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;

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;

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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**Registration of persons Division 3**

Section 75D

Remittance Sector Register as a remittance affiliate of the applicant;

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*

The AUSTRAC CEO must, as soon as practicable after deciding to register a person, give a written notice to:

the applicant for registration; and

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*

A notice under subsection (4) in relation to a decision to register a person must specify:

whether the person is registered as:

a remittance network provider; or

an independent remittance dealer; or

a remittance affiliate of a registered remittance network provider; and

the conditions (if any) to which the registration is subject (see section 75E); and

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).

Section 75E

75E Registration may be subject to conditions

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).

Without limiting the conditions that the AUSTRAC CEO may impose under subsection (1), the conditions may relate to the following:

the volume of funds remitted (whether by reference to a particular time, a particular amount or otherwise);

the destination (however described) of funds remitted;

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

The registration of a person ceases at the earliest of the following times:

when the cancellation of the registration of the person under section 75G takes effect;

when the entry relating to the registration of the person is removed from the Remittance Sector Register under subsection 75K(2);

subject to subsection (2)—3 years after the day on which the registration took effect;

in the case of an individual—when the individual dies;

in the case of a body corporate—when the body corporate ceases to exist.

Paragraph (1)(c) is subject to the AML/CTF Rules made under section 75J (which deals with renewal of registration).

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**Registration of persons Division 3**

Section 75G

75G Cancellation of registration

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:

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

one or more breaches by the person of a condition of registration; or

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.

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).

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

The AML/CTF Rules may make provision for and in relation to the suspension of registrations by the AUSTRAC CEO under this Part.

The AML/CTF Rules may provide for matters including, but not limited to, the following:

the grounds for suspension of registration;

the effect of suspension on registration;

the period for which suspensions have effect;

Section 75J

the effect of suspension of a registered remittance network provider upon its registered remittance affiliates;

making entries in and removing entries from the Remittance Sector Register in relation to suspension;

notices of suspension;

review of decisions relating to suspension.

75J Renewal of registration

The AML/CTF Rules may make provision for and in relation to the renewal of registrations by the AUSTRAC CEO under this Part.

The AML/CTF Rules may provide for matters including, but not limited to, the following:

the making of applications for renewal;

the period within which applications for renewal may be made;

the criteria for determining applications for renewal;

entries in the Remittance Sector Register in relation to renewal;

the giving of notices relating to decisions on applications for renewal;

review of decisions relating to applications for renewal;

the period for which renewed registrations have effect.

In particular, the AML/CTF Rules may provide that:

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

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.

**The Remittance Sector Register Part 6**

**Registration of persons Division 3**

Section 75K

75K Removal of entries from the Remittance Sector Register

*Removal on request*

A person who is one or more of the following:

a registered remittance network provider;

a registered independent remittance dealer;

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.

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*

If a person ceases to be a registered remittance network provider, the AUSTRAC CEO must remove from the Remittance Sector Register:

the entry relating to the registered remittance network provider; and

each entry relating to a registered remittance affiliate of the registered remittance network provider.

*Removal on cessation of registration—independent remittance dealers and affiliates*

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.

Section 75L

*Notice of removal—remittance network providers*

The AUSTRAC CEO must, as soon as reasonably practicable, notify a remittance network provider, in writing, if:

the AUSTRAC CEO removes from the Remittance Sector Register an entry relating to a remittance affiliate of the provider; and

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*

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 remittance network provider; or

an independent remittance dealer; or

a remittance affiliate of a registered remittance network provider.

75M Registered persons to advise of material changes in circumstance etc.

A person who is registered under this Part as:

a remittance network provider; or

an independent remittance dealer; or

**The Remittance Sector Register Part 6**

**Registration of persons Division 3**

Section 75M

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:

any change in circumstances that could materially affect the person’s registration;

any matters specified in the AML/CTF Rules for the purposes of this paragraph.

A registered remittance affiliate of a registered remittance network provider must advise the provider of the following:

any change in circumstances that could materially affect the person’s registration;

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)).

A registered remittance network provider must advise the AUSTRAC CEO of any changes notified to it under subsection (2).

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:

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

in the case of a requirement under subsection (3)—within 7 days of the registered remittance network provider concerned receiving the advice.

*Civil penalty*

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

Section 75N

75N AUSTRAC CEO may request further information

The AUSTRAC CEO may, in writing, request further information from any person for the purposes of making a decision under this Part.

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.

75P Immunity from suit

An action, suit or proceeding (whether criminal or civil) does not lie against:

the Commonwealth; or

the AUSTRAC CEO; or

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).

75Q Steps to be taken by AUSTRAC CEO before making certain reviewable decisions

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:

the terms of the proposed decision; and

if the proposed decision is to cancel a registration—the date on which the cancellation is proposed to take effect; and

the reasons for the proposed decision; and

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.

**The Remittance Sector Register Part 6**

**Registration of persons Division 3**

Section 75Q

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.

Section 75T

75T Basis of registration

Registration under this Part is on the basis that:

the registration may cease as mentioned in section 75F; and

the registration may be suspended as mentioned in section 75H; and

the registration may be made subject to conditions as mentioned in section 75E; and

the registration may cease, be suspended or be made subject to conditions by or under later legislation; and

no compensation is payable if the registration ceases, is suspended or made subject to conditions as mentioned in any of the above paragraphs.

**The Digital Currency Exchange Register Part 6A**

**Simplified outline Division 1**

Simplified outline

The following is a simplified outline of this Part:

Section 76A

76A Unregistered persons must not provide certain digital currency exchange services

*Registrable digital currency exchange services*

A person (the first person) must not provide a registrable digital currency exchange service to another person if the first person is not a registered digital currency exchange provider.

*Breach of conditions*

A person must not breach a condition to which the registration of the person as a digital currency exchange provider is subject.

*Offences*

A person commits an offence if:

the person is subject to a requirement under subsection (1) or

(2); and

the person engages in conduct; and

the person’s conduct breaches the requirement.

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

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

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

A person commits an offence if:

the person is subject to a requirement under subsection (1) or

(2); and

the person engages in conduct; and

the person’s conduct breaches the requirement; and

the AUSTRAC CEO previously:

**The Digital Currency Exchange Register Part 6A**

**Restrictions on providing digital currency exchange services Division 2**

Section 76A

gave the person a direction under subsection 191(2) in relation to subsection (1) or (2) of this section; or

accepted an undertaking given by the person under section 197 in relation to subsection (1) or (2) of this section; and

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.

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

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

A person commits an offence if:

the person is subject to a requirement under subsection (1) or

(2); and

the person engages in conduct; and

the person’s conduct breaches the requirement; and

the AUSTRAC CEO previously:

gave the person a direction under subsection 191(2) in relation to subsection (1) or (2) of this section; or

accepted an undertaking given by the person under section 197 in relation to subsection (1) or (2) of this section; and

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.

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

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

A person commits an offence if:

the person is subject to a requirement under subsection (1) or

(2); and

Section 76A

the person engages in conduct; and

the person’s conduct breaches the requirement; and

either:

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

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.

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

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

*Civil penalty*

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

**The Digital Currency Exchange Register Part 6A**

**Registration of persons Division 3**

Section 76B

76B Digital Currency Exchange Register

The AUSTRAC CEO must maintain a register for the purposes of this Part, to be known as the Digital Currency Exchange Register.

The AUSTRAC CEO may maintain the Digital Currency Exchange Register by electronic means.

The Digital Currency Exchange Register is not a legislative instrument.

The AML/CTF Rules may make provision for and in relation to the following:

the correction of entries in the Digital Currency Exchange Register;

the publication of the Digital Currency Exchange Register in whole or part, or of specified information entered on the Digital Currency Exchange Register;

any other matter relating to the administration or operation of the Digital Currency Exchange Register.

76C Information to be entered on the Digital Currency Exchange Register

If the AUSTRAC CEO decides to register a person under subsection 76E(2), the AUSTRAC CEO must enter the following details on the Digital Currency Exchange Register:

the name of the person;

any conditions to which the registration of the person is subject;

the date on which the registration takes effect;

the registrable details in relation to the person.

Section 76D

76D Applications for registration

A person may apply in writing to the AUSTRAC CEO for registration as a digital currency exchange provider.

An application under subsection (1) must:

be in the approved form; and

contain the information required by the AML/CTF Rules.

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*

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:

the day the application is made;

if the AUSTRAC CEO requests information under subsection 76Q(1) in relation to the application—the last day such information is provided;

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).

However, if the AUSTRAC CEO determines in writing that:

the application cannot be dealt with properly within the 90 day period, either because of its complexity or because of other special circumstances; and

**The Digital Currency Exchange Register Part 6A**

**Registration of persons Division 3**

Section 76E

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*

This section applies if an application has been made under section 76D for registration of a person.

*When AUSTRAC CEO must register a person*

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:

whether registering the person would involve a significant money laundering, financing of terrorism or other serious crime risk; and

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*

Without limiting the matters that the AML/CTF Rules may specify under paragraph (2)(b), the matters may relate to the following:

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;

the compliance or non-compliance of the applicant, or any other person, with this Act or any other law;

the legal and beneficial ownership and control of the applicant, or any other person.

Section 76F

*Notice of decision to register*

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*

A notice under subsection (4) must specify:

the conditions (if any) to which the registration is subject (see section 76G); and

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

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).

Without limiting the conditions that the AUSTRAC CEO may impose under subsection (1), the conditions may relate to the following:

the value of digital currency or money exchanged;

the volume of digital currency exchanged (whether by reference to a particular period, a particular kind of digital currency, or otherwise);

the kinds of digital currencies exchanged;

requiring notification of the exchange of particular kinds of digital currency, changes in circumstances, or other specified events.

**The Digital Currency Exchange Register Part 6A**

**Registration of persons Division 3**

Section 76H

Note: Section 76P imposes a general obligation in relation to notification of changes in circumstances.

76H When registration of a person ceases

The registration of a person ceases at the earliest of the following times:

when the cancellation of the registration of the person under section 76J takes effect;

when the entry relating to the registration of the person is removed from the Digital Currency Exchange Register under subsection 76M(2);

subject to subsection (2)—3 years after the day on which the registration took effect;

in the case of an individual—when the individual dies;

in the case of a body corporate—when the body corporate ceases to exist.

Paragraph (1)(c) is subject to the AML/CTF Rules made under section 76L (which deals with renewal of registration).

76J Cancellation of registration

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:

whether the continued registration of the person involves, or may involve, a significant money laundering, financing of terrorism or other serious crime risk; or

one or more breaches by the person of a condition of registration; or

such other matters (if any) as are specified in the AML/CTF Rules under this paragraph.

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 digital currency exchange service.

Section 76K

Note: A decision to cancel a registration is reviewable (see Part 17A).

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).

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

The AML/CTF Rules may make provision for and in relation to the suspension of registrations by the AUSTRAC CEO under this Part.

The AML/CTF Rules may provide for matters including, but not limited to, the following:

the grounds for suspension of registration;

the effect of suspension on registration;

the period for which suspensions have effect;

making entries in and removing entries from the Digital Currency Exchange Register in relation to suspension;

notices of suspension;

review of decisions relating to suspension.

76L Renewal of registration

The AML/CTF Rules may make provision for and in relation to the renewal of registrations by the AUSTRAC CEO under this Part.

The AML/CTF Rules may provide for matters including, but not limited to, the following:

the making of applications for renewal;

the period within which applications for renewal may be made;

the criteria for determining applications for renewal;

entries in the Digital Currency Exchange Register in relation to renewal;

**The Digital Currency Exchange Register Part 6A**

**Registration of persons Division 3**

Section 76M

the giving of notices relating to decisions on applications for renewal;

review of decisions relating to applications for renewal;

the period for which renewed registrations have effect.

In particular, the AML/CTF Rules may provide that:

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

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 Digital Currency Exchange Register

*Removal on request*

A person who is a registered digital currency exchange provider may request the AUSTRAC CEO, in writing, to remove the entry relating to the registration of the person from the Digital Currency Exchange Register.

If a person makes a request under subsection (1), the AUSTRAC CEO must remove the entry from the Digital Currency Exchange Register.

*Removal on cessation of registration*

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 Digital Currency Exchange Register.

Section 76N

*Notice of removal*

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.

A person who is registered under this Part must advise the AUSTRAC CEO of the following:

any change in circumstances that could materially affect the person’s registration;

any matters specified in the AML/CTF Rules for the purposes of this paragraph.

A person who is required by this section to advise the AUSTRAC CEO of a change in circumstances or a matter must do so:

in accordance with the approved form; and

within 14 days of the change in circumstances or the matter arising (however described).

*Civil penalty*

Subsection (1) is a civil penalty provision.

**The Digital Currency Exchange Register Part 6A**

**Registration of persons Division 3**

Section 76Q

76Q AUSTRAC CEO may request further information

The AUSTRAC CEO may, in writing, request further information from any person for the purposes of making a decision under this Part.

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.

76R Immunity from suit

An action, suit or proceeding (whether criminal or civil) does not lie against:

the Commonwealth; or

the AUSTRAC CEO; or

a member of the staff of AUSTRAC;

in relation to the publication of the Digital Currency Exchange 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

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:

the terms of the proposed decision; and

if the proposed decision is to cancel a registration—the date on which the cancellation is proposed to take effect; and

the reasons for the proposed decision; and

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.

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.

Section 76T

76T Basis of registration

Registration under this Part is on the basis that:

the registration may cease as mentioned in section 76H; and

the registration may be suspended as mentioned in section 76K; and

the registration may be made subject to conditions as mentioned in section 76G; and

the registration may cease, be suspended or be made subject to conditions by or under later legislation; and

no compensation is payable if the registration ceases, is suspended or made subject to conditions as mentioned in any of the above paragraphs.

**Anti-money laundering and counter-terrorism financing programs Part 7**

**Introduction Division 1**

**counter-terrorism financing programs**

Simplified outline

The following is a simplified outline of this Part:

Reporting entity must have an anti-money laundering and counter-terrorism financing program

A reporting entity must not commence to provide a designated service to a customer if the reporting entity:

has not adopted; and

does not maintain;

an anti-money laundering and counter-terrorism financing program that applies to the reporting entity.

*Civil penalty*

Subsection (1) is a civil penalty provision.

Compliance with Part A of an anti-money laundering and counter-terrorism financing program

*Compliance with program*

If a reporting entity has adopted:

a standard anti-money laundering and counter-terrorism financing program; or

a joint anti-money laundering and counter-terrorism financing program;

that applies to the reporting entity, the reporting entity must comply with:

Part A of the program; or

if the program has been varied on one or more occasions— Part A of the program as varied.

*Civil penalty*

Subsection (1) is a civil penalty provision.

**Anti-money laundering and counter-terrorism financing programs Part 7**

**Reporting entity’s obligations Division 2**

*Exceptions*

Subsection (1) does not apply to a particular provision of Part A of a standard anti-money laundering and counter-terrorism financing program if the provision was not included in the program in order to comply with the requirements specified in AML/CTF Rules made for the purposes of paragraph 84(2)(c).

Subsection (1) does not apply to a particular provision of Part A of a joint anti-money laundering and counter-terrorism financing program if the provision was not included in the program in order to comply with the requirements specified in AML/CTF Rules made for the purposes of paragraph 85(2)(c).

A person who wishes to rely on subsection (3) or (4) bears an evidential burden in relation to that matter.

Anti-money laundering and counter-terrorism financing programs

An anti-money laundering and counter-terrorism financing program is:

a standard anti-money laundering and counter-terrorism financing program (see section 84); or

a joint anti-money laundering and counter-terrorism financing program (see section 85); or

a special anti-money laundering and counter-terrorism financing program (see section 86).

An anti-money laundering and counter-terrorism financing program is not a legislative instrument.

Standard anti-money laundering and counter-terrorism financing program

A standard anti-money laundering and counter-terrorism financing program is a written program that:

applies to a particular reporting entity; and

is divided into the following parts:

Part A (general);

Part B (customer identification).

Note: A standard anti-money laundering and counter-terrorism financing program does not bind the reporting entity unless the reporting entity adopts the program (see section 82).

*Part A (general)*

Part A of a standard anti-money laundering and counter-terrorism financing program is a part:

the primary purpose of which is to:

**Anti-money laundering and counter-terrorism financing programs Part 7**

**Anti-money laundering and counter-terrorism financing programs Division 3**

identify; and

mitigate; and

manage;

the risk the reporting entity may reasonably face that the provision by the reporting entity of designated services at or through a permanent establishment of the reporting entity in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

financing of terrorism; and

if the reporting entity provides designated services at or through a permanent establishment of the reporting entity in a foreign country—another purpose of which is to ensure that the reporting entity takes such action (if any) as is specified in the AML/CTF Rules in relation to the provision by the reporting entity of designated services at or through a permanent establishment of the reporting entity in a foreign country; and

that complies with such requirements (if any) as are specified in the AML/CTF Rules.

*Part B (customer identification)*

Part B of a standard anti-money laundering and counter-terrorism financing program is a part:

the sole or primary purpose of which is to set out the applicable customer identification procedures for the purposes of the application of this Act to customers of the reporting entity; and

that complies with such requirements (if any) as are specified in the AML/CTF Rules.

*Reviews*

A requirement under paragraph (2)(c) may relate to reviews of a standard anti-money laundering and counter-terrorism financing program.

*Holder of an Australian financial services licence*

A reporting entity is not entitled to adopt or maintain a standard anti-money laundering and counter-terrorism financing program 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.

*Registered remittance affiliates of a registered remittance network provider*

(5A) A reporting entity that is a registered remittance network provider must make available a standard anti-money laundering and counter-terrorism financing program to its registered remittance affiliates for the purpose of adoption and maintenance under section 81 by those affiliates. To avoid doubt, this subsection does not prevent a remittance affiliate from adopting a program other than one made available under this section.

*Civil penalty*

(5B) Subsection (5A) is a civil penalty provision.

*Variation*

A standard anti-money laundering and counter-terrorism financing program may be varied, so long as the varied program is a standard anti-money laundering and counter-terrorism financing program.

*Registered scheme—compliance plan*

If a reporting entity is the responsible entity of a registered scheme (within the meaning of the Corporations Act 2001), the reporting entity’s standard anti-money laundering and counter-terrorism financing program may be set out in the same document as the registered scheme’s compliance plan under that Act.

**Anti-money laundering and counter-terrorism financing programs Part 7**

**Anti-money laundering and counter-terrorism financing programs Division 3**

Joint anti-money laundering and counter-terrorism financing program

A joint anti-money laundering and counter-terrorism financing program is a written program that:

applies to each reporting entity that from time to time belongs to a particular designated business group; and

is divided into the following parts:

Part A (general);

Part B (customer identification).

Note: A joint anti-money laundering and counter-terrorism financing program does not bind any of those reporting entities unless the reporting entity adopts the program (see section 82).

*Part A (general)*

Part A of a joint anti-money laundering and counter-terrorism financing program is a part:

the primary purpose of which is to:

identify; and

mitigate; and

manage;

the risk each of those reporting entities may reasonably face that the provision by the relevant reporting entity of designated services at or through a permanent establishment of the relevant reporting entity in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

financing of terrorism; and

if any of those reporting entities provides designated services at or through a permanent establishment of the relevant reporting entity in a foreign country—another purpose of which is to ensure that the relevant reporting entity takes such action (if any) as is specified in the AML/CTF Rules in relation to the provision by the relevant reporting entity of designated services at or through a permanent establishment of the relevant reporting entity in a foreign country; and

that complies with such requirements (if any) as are specified in the AML/CTF Rules.

*Part B (customer identification)*

Part B of a joint anti-money laundering and counter-terrorism financing program is a part:

the sole or primary purpose of which is to set out the applicable customer identification procedures for the purposes of the application of this Act to customers of each of those reporting entities; and

that complies with such requirements (if any) as are specified in the AML/CTF Rules.

*Different reporting entities*

A joint anti-money laundering and counter-terrorism financing program may make different provision with respect to different reporting entities. This does not limit subsection 33(3A) of the Acts Interpretation Act 1901.

*Reviews*

A requirement under paragraph (2)(c) may relate to reviews of a joint anti-money laundering and counter-terrorism financing program.

*Variation*

(7) A joint anti-money laundering and counter-terrorism financing program may be varied, so long as the varied program is a joint anti-money laundering and counter-terrorism financing program.

Special anti-money laundering and counter-terrorism financing program

A special anti-money laundering and counter-terrorism financing program is a written program:

**Anti-money laundering and counter-terrorism financing programs Part 7**

**Anti-money laundering and counter-terrorism financing programs Division 3**

that applies to a particular reporting entity, where all of the designated services provided by the reporting entity are covered by item 54 of table 1 in section 6; and

the sole or primary purpose of which is to set out the applicable customer identification procedures for the purposes of the application of this Act to customers of the reporting entity; and

that complies with such requirements (if any) as are specified in the AML/CTF Rules.

Note 1: A special anti-money laundering and counter-terrorism financing program does not bind the reporting entity unless the reporting entity adopts the program (see section 82).

Note 2: 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.

A reporting entity is not entitled to adopt or maintain a special anti-money laundering and counter-terrorism financing program unless all of the designated services provided by the reporting entity are covered by item 54 of table 1 in section 6.

*Variation*

A special anti-money laundering and counter-terrorism financing program may be varied, so long as the varied program is a special anti-money laundering and counter-terrorism financing program.

Revocation of adoption of anti-money laundering and counter-terrorism financing program

If a reporting entity has adopted an anti-money laundering and counter-terrorism financing program that applies to the reporting entity, this Part does not prevent the reporting entity from:

revoking that adoption; and

adopting another anti-money laundering and

counter-terrorism financing program that applies to the reporting entity.

Different applicable customer identification procedures

Each of the following:

Part B of a standard anti-money laundering and counter-terrorism financing program;

Part B of a joint anti-money laundering and counter-terrorism financing program;

a special anti-money laundering and counter-terrorism financing program;

AML/CTF Rules made for the purposes of paragraph 84(3)(b), 85(3)(b) or 86(1)(c);

may make different provision with respect to:

different kinds of customers; or

different kinds of designated services; or

different circumstances.

Subsection (1) does not limit subsection 33(3A) of the Acts Interpretation Act 1901.

Note: The following are examples of different kinds of customers:

individuals;

companies;

trusts;

partnerships.

Applicable customer identification procedures—agent of customer

*Standard anti-money laundering and counter-terrorism financing program*

To avoid doubt, AML/CTF Rules made for the purposes of paragraph 84(3)(b) may require that Part B of a standard

anti-money laundering and counter-terrorism financing program must provide that, if:

a customer of the reporting entity deals with the reporting entity in relation to the provision of a designated service through an agent of the customer; and

**Anti-money laundering and counter-terrorism financing programs Part 7**

**Anti-money laundering and counter-terrorism financing programs Division 3**

the customer does so in circumstances specified in the AML/CTF Rules;

one or more elements of the applicable customer identification procedure for the customer must involve the taking of steps specified in the AML/CTF Rules in relation to the agent.

*Joint anti-money laundering and counter-terrorism financing program*

To avoid doubt, AML/CTF Rules made for the purposes of paragraph 85(3)(b) may require that Part B of a joint anti-money laundering and counter-terrorism financing program must provide that, if:

a customer of the reporting entity deals with the reporting entity in relation to the provision of a designated service through an agent of the customer; and

the customer does so in circumstances specified in the AML/CTF Rules;

one or more elements of the applicable customer identification procedure for the customer must involve the taking of steps specified in the AML/CTF Rules in relation to the agent.

*Special anti-money laundering and counter-terrorism financing program*

To avoid doubt, AML/CTF Rules made for the purposes of paragraph 86(1)(c) may require that a special anti-money laundering and counter-terrorism financing program must provide that, if:

a customer of the reporting entity deals with the reporting entity in relation to the provision of a designated service through an agent of the customer; and

the customer does so in circumstances specified in the AML/CTF Rules;

one or more elements of the applicable customer identification procedure for the customer must involve the taking of steps specified in the AML/CTF Rules in relation to the agent.

Applicable customer identification procedures—customers other than individuals

*Standard anti-money laundering and counter-terrorism financing program*

To avoid doubt, AML/CTF Rules made for the purposes of paragraph 84(3)(b) may require that Part B of a standard

anti-money laundering and counter-terrorism financing program must provide that, if a customer of the reporting entity is:

a company; or

a trust; or

a partnership; or

a corporation sole; or

a body politic;

one or more elements of the applicable customer identification procedure for the customer must involve the taking of steps specified in the AML/CTF Rules in relation to a person who is:

associated with the customer; and

specified in the AML/CTF Rules.

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

*Joint anti-money laundering and counter-terrorism financing program*

To avoid doubt, AML/CTF Rules made for the purposes of paragraph 85(3)(b) may require that Part B of a joint anti-money laundering and counter-terrorism financing program must provide that, if a customer of the reporting entity is:

a company; or

a trust; or

a partnership; or

a corporation sole; or

a body politic;

**Anti-money laundering and counter-terrorism financing programs Part 7**

**Anti-money laundering and counter-terrorism financing programs Division 3**

one or more elements of the applicable customer identification procedure for the customer must involve the taking of steps specified in the AML/CTF Rules in relation to a person who is:

associated with the customer; and

specified in the AML/CTF Rules.

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

*Special anti-money laundering and counter-terrorism financing program*

To avoid doubt, AML/CTF Rules made for the purposes of paragraph 86(1)(c) may require that a special anti-money laundering and counter-terrorism financing program must provide that, if a customer of the reporting entity is:

a company; or

a trust; or

a partnership; or

a corporation sole; or

a body politic;

one or more elements of the applicable customer identification procedure for the customer must involve the taking of steps specified in the AML/CTF Rules in relation to a person who is:

associated with the customer; and

specified in the AML/CTF Rules.

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

Applicable customer identification procedures—disclosure certificates

*Standard anti-money laundering and counter-terrorism financing program*

To avoid doubt, AML/CTF Rules made for the purposes of paragraph 84(3)(b) may require that, if:

a designated service is provided to a customer specified in the AML/CTF Rules; or

a designated service is provided to a customer in circumstances specified in the AML/CTF Rules;

Part B of a standard anti-money laundering and counter-terrorism financing program must provide that one or more elements of the applicable customer identification procedure for the customer must involve the reporting entity obtaining a certificate, to be known as a disclosure certificate, from:

the customer; or

person who is:

associated with the customer; and

specified in the AML/CTF Rules.

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

*Joint anti-money laundering and counter-terrorism financing program*

To avoid doubt, AML/CTF Rules made for the purposes of paragraph 85(3)(b) may require that, if:

a designated service is provided to a customer specified in the AML/CTF Rules; or

a designated service is provided to a customer in circumstances specified in the AML/CTF Rules;

Part B of a joint anti-money laundering and counter-terrorism financing program must provide that one or more elements of the applicable customer identification procedure for the customer must involve the reporting entity obtaining a certificate, to be known as a disclosure certificate, from:

the customer; or

person who is:

associated with the customer; and

specified in the AML/CTF Rules.

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

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*Special anti-money laundering and counter-terrorism financing program*

To avoid doubt, AML/CTF Rules made for the purposes of paragraph 86(1)(c) may require that, if:

a designated service is provided to a customer specified in the AML/CTF Rules; or

a designated service is provided to a customer in circumstances specified in the AML/CTF Rules;

a special anti-money laundering and counter-terrorism financing program must provide that one or more elements of the applicable customer identification procedure for the customer must involve the reporting entity obtaining a certificate, to be known as a disclosure certificate, from:

the customer; or

person who is:

associated with the customer; and

specified in the AML/CTF Rules.

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

Request to obtain information from a customer

*Scope*

This section applies to a reporting entity if:

the reporting entity has adopted:

a standard anti-money laundering and counter-terrorism financing program; or

a joint anti-money laundering and counter-terrorism financing program;

that applies to the reporting entity; and

the reporting entity is providing, or has provided, a designated service to a particular customer; and

the reporting entity has reasonable grounds to believe that the customer has information that is likely to assist the reporting entity to comply with:

Part A of the program; or

if the program has been varied on one or more occasions—Part A of the program as varied.

*Request to give information*

The reporting entity may, by written notice given to the customer, request the customer to give the reporting entity, within the period and in the manner specified in the notice, any such information.

The notice must set out the effect of subsection (4).

*Power to discontinue, restrict or limit provision of designated services*

If the customer does not comply with the request, the reporting entity may do any or all of following:

**Anti-money laundering and counter-terrorism financing programs Part 7**

**Other provisions Division 4**

refuse to continue to provide a designated service to the customer;

refuse to commence to provide a designated service to the customer;

restrict or limit the provision of a designated service to the customer;

until the customer provides the information covered by the request.

*Protection from liability*

An action, suit or proceeding (whether criminal or civil) does not lie against:

the reporting entity; or

an officer, employee or agent of the reporting entity 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 reporting entity, officer, employee or agent in the exercise, or purported exercise, of the power conferred by subsection (4).

Exemptions

Paragraphs 84(2)(a) and (b) and 85(2)(a) and (b) do not apply to a designated service that is of a kind specified in the AML/CTF Rules.

Paragraphs 84(2)(a) and (b) and 85(2)(a) and (b) do not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.

Simplified outline of this Part

**Prohibitions on correspondent banking relationships involving shell banks**

*Entry*

A financial institution must not enter into a correspondent banking relationship with another person if:

the other person is a shell bank; or

the other person is a financial institution that has a correspondent banking relationship with a shell bank; or

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.

**Correspondent banking Part 8**

*Termination*

If a financial institution (the first institution) is in a correspondent banking relationship with another person and the first institution becomes aware that:

the other person is a shell bank; or

the other person is a financial institution that has a correspondent banking relationship with a shell bank; or

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:

terminate the correspondent banking relationship;

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.

If:

the first institution makes a request under paragraph (2)(e) of another financial institution; and

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*

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

Due diligence assessments and records of correspondent banking relationships

*Entry*

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:

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

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.

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:

its responsibilities under that relationship; and

the responsibilities of the other financial institution under that relationship.

*Ongoing assessments*

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:

carry out due diligence assessments in accordance with the AML/CTF Rules; and

carry out those assessments at the times worked out in accordance with the AML/CTF Rules; and

in relation to each assessment, prepare a written record of the assessment within 10 business days after the day of completing the assessment; and

**Correspondent banking Part 8**

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*

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:

the financial institution carries on an activity or business at or through a permanent establishment of the financial institution in Australia; or

both:

the financial institution is a resident of Australia; and

the financial institution carries on an activity or business at or through a permanent establishment of the financial institution in a foreign country; or

both:

the financial institution is a subsidiary of a company that is a resident of Australia; and

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.

101 Simplified outline

The following is a simplified outline of this Part:

102 Countermeasures

The regulations may make provision for or in relation to prohibiting or regulating the entering into of transactions, where:

both:

one of the parties to the transaction is a resident of Australia; and

the other party, or any of the other parties, is a resident of a prescribed foreign country; or

both:

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

the other party, or any of the other parties, is a resident of a prescribed foreign country; or

both:

one of the parties to the transaction is a resident of Australia; and

the other party, or any of the other parties, is a corporation incorporated in a prescribed foreign country; or

both:

**Countermeasures Part 9**

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

the other party, or any of the other parties, is a corporation incorporated in a prescribed foreign country; or

both:

one of the parties to the transaction is a resident of Australia; and

the other party, or any of the other parties, is an individual who is physically present in a prescribed foreign country; or

both:

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

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.

Regulations made for the purposes of subsection (1):

may be of general application; or

may be limited by reference to any or all of the following:

a specified transaction;

a specified party;

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.

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.

**Record-keeping requirements Part 10**

**Introduction Division 1**

Simplified outline

The following is a simplified outline of this Part:

Privacy Act not overridden by this Part

This Part does not override Part IIIA of the Privacy Act 1988.

Records of designated services

The AML/CTF Rules may provide that, if a reporting entity commences to provide, or provides, a specified kind of designated service to a customer, the reporting entity must make a record of information relating to the provision of the service.

The AML/CTF Rules may provide that, if a reporting entity commences to provide, or provides, a designated service to a customer in circumstances specified in the AML/CTF Rules, the reporting entity must make a record of information relating to the provision of the service.

A record under subsection (1) or (2) must comply with such requirements (if any) as are specified in the AML/CTF Rules.

A reporting entity must comply with AML/CTF Rules made for the purposes of this section.

*Civil penalty*

Subsection (4) is a civil penalty provision.

*Designated business groups*

If:

a reporting entity is a member of a designated business group; and

such other conditions (if any) as are specified in the AML/CTF Rules are satisfied;

the obligation imposed on the reporting entity by subsection (4) may be discharged by any other member of the group.

**Record-keeping requirements Part 10**

**Records of transactions etc. Division 2**

Transaction records to be retained

*Scope*

This section applies if:

a reporting entity makes a record of information relating to the provision of a designated service to a customer; and

the record is not declared by the AML/CTF Rules to be exempt from this section.

*Retention*

The reporting entity must retain:

the record; or

a copy of the record; or

an extract from the record showing the prescribed information;

for 7 years after the making of the record.

*Civil penalty*

Subsection (2) is a civil penalty provision.

*Designated business groups*

If:

a reporting entity is a member of a designated business group; and

such other conditions (if any) as are specified in the AML/CTF Rules are satisfied;

the obligation imposed on the reporting entity by subsection (2) may be discharged by any other member of the group.

Customer-provided transaction documents to be retained

*Scope*

This section applies if:

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

the reporting entity commences, or has commenced, to provide the service to the customer.

The reporting entity must retain:

the document; or

a copy of the document;

for 7 years after the giving of the document.

*Civil penalty*

Subsection (2) is a civil penalty provision.

*Designated business groups*

If:

a reporting entity is a member of a designated business group; and

such other conditions (if any) as are specified in the AML/CTF Rules are satisfied;

the obligation imposed on the reporting entity by subsection (2) may be discharged by any other member of the group.

Records relating to transferred ADI accounts

*Scope*

This section applies if:

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

the document relates to an active account that has been, or is proposed to be, transferred to another ADI (the transferee ADI) under:

**Record-keeping requirements Part 10**

**Records of transactions etc. Division 2**

a law of the Commonwealth or of a State or Territory; or

an arrangement between the transferor ADI and the transferee ADI.

*Transferor ADI must give document to the transferee ADI*

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*

Sections 107 and 108 do not apply to the transferor ADI, in relation to the document, if the transferor ADI gave the original or 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*

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:

the document; or

a copy of the document;

for 7 years after the giving of the document.

*Civil penalty*

Subsections (2) and (4) are civil penalty provisions.

Retention of records relating to closed ADI accounts

*Transferor ADI may give documents to transferee ADI*

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:

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

the second document is in the transferor ADI’s possession in fulfilment of an obligation imposed on it by section 107 or 108; and

the second document relates to a closed account; and

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*

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*

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:

the second document; or

a copy of the second document;

for 7 years after the giving of the second document.

**Record-keeping requirements Part 10**

**Records of transactions etc. Division 2**

*Civil penalty*

Subsection (3) is a civil penalty provision.

Copying documents obtained in the course of carrying out an applicable custom identification procedure

For the purposes of this Act, if:

a document is produced to a reporting entity in the course of an applicable customer identification procedure carried out under this Act; and

the reporting entity makes a copy of the document; the reporting entity is taken to have made a record of the information contained in the document.

Making of records of identification procedures

*Scope*

This section applies to a reporting entity if the reporting entity carries out an applicable customer identification procedure in respect of a particular customer to whom the reporting entity provided, or proposed to provide, a designated service.

*Records*

The reporting entity must make a record of:

the procedure; and

information obtained in the course of carrying out the procedure; and

such other information (if any) about the procedure as is specified in the AML/CTF Rules.

A record under subsection (2) must comply with such requirements (if any) as are specified in the AML/CTF Rules.

**Record-keeping requirements Part 10**

**Records in connection with the carrying out of identification procedures Division 3**

*Civil penalty*

Subsection (2) is a civil penalty provision.

*Designated business groups*

If:

a reporting entity is a member of a designated business group; and

such other conditions (if any) as are specified in the AML/CTF Rules are satisfied;

the obligation imposed on the reporting entity by subsection (2) may be discharged by any other member of the group.

Retention of records of identification procedures

*Scope*

This section applies to a reporting entity if:

the reporting entity carried out an applicable customer identification procedure in respect of a particular customer to whom the reporting entity provided, or proposed to provide, a designated service; and

the reporting entity made a record of:

the procedure; or

information obtained in the course of carrying out the procedure; or

such other information (if any) about the procedure as is specified in the AML/CTF Rules.

*Retention*

The reporting entity must retain the record, or a copy of the record, until the end of the first 7-year period:

that began at a time after the procedure was carried out; and

throughout the whole of which the reporting entity did not provide any designated services to the customer.

*Civil penalty*

Subsection (2) is a civil penalty provision.

*Designated business groups*

If:

a reporting entity is a member of a designated business group; and

such other conditions (if any) as are specified in the AML/CTF Rules are satisfied;

the obligation imposed on the reporting entity by subsection (2) may be discharged by any other member of the group.

Retention of information if identification procedures taken to have been carried out by a reporting entity

If:

a person (the first person) carries out a procedure (the initial procedure) mentioned in paragraph 37A(1)(a) or 38(b); and

under section 37A or 38 and in connection with the initial procedure, Part 2 has effect as if a reporting entity had carried out an applicable customer identification procedure in respect of a customer; and

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:

that began at a time after Part 2 had that effect; and

throughout the whole of which the reporting entity did not provide any designated services to the customer.

*Civil penalty*

Subsection (1) is a civil penalty provision.

**Record-keeping requirements Part 10**

**Records in connection with the carrying out of identification procedures Division 3**

Section 114A

114A Retention of records of assessments of agreements or arrangements covered by section 37A

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*

Subsection (1) is a civil penalty provision.

Retention of records about electronic funds transfer instructions

*Scope*

This section applies if:

section 64 applies to:

a multiple-institution person-to-person electronic funds transfer instruction; or

a multiple-institution same-person electronic funds transfer instruction; and

a person is in the funds transfer chain; and

the person is an interposed person and the transfer instruction is to be passed on by the person at or through a permanent establishment of the person in Australia; and

the making available by the beneficiary institution of the transferred money would take place at or through a permanent establishment of the beneficiary institution in Australia; and

some or all of the required transfer information was passed on to the person by another person in the funds transfer chain; and

the transfer instruction was accepted by the ordering institution at or through a permanent establishment of the ordering institution in a foreign country; and

the transfer instruction was passed on to the person by a permanent establishment of the ordering institution, or of another person, in a foreign country.

*Keeping and retention of records*

The person must:

**Record-keeping requirements Part 10**

**Records about electronic funds transfer instructions Division 4**

make a record of so much of the required transfer information as was passed on to the person as mentioned in paragraph (1)(e); and

retain that record, or a copy of the record, for 7 years after the transfer instruction was passed on to the person.

*Civil penalty*

Subsection (2) is a civil penalty provision.

Records about anti-money laundering and counter-terrorism financing programs

*Scope*

This section applies to a reporting entity if the reporting entity adopts an anti-money laundering and counter-terrorism financing program that applies to the reporting entity.

*Record of adoption*

The reporting entity must:

make a record of the adoption; and

retain the record, or a copy of the record, throughout the period:

beginning at the completion of the preparation of the record; and

ending 7 years after the day on which the adoption ceases to be in force.

*Retention of program etc.*

The reporting entity must retain the program, or a copy of the program, throughout the period:

beginning at the time of the adoption; and

ending 7 years after the day on which the adoption ceases to be in force.

If the program is varied while the adoption is in force, the reporting entity must retain the variation, or a copy of the variation, throughout the period:

beginning at the time of the variation; and

**Record-keeping requirements Part 10**

Records about anti-money laundering and counter-terrorism financing programs

ending 7 years after the day on which the adoption ceases to be in force.

*Civil penalty*

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

*Designated business groups*

If:

a reporting entity is a member of a designated business group; and

such other conditions (if any) as are specified in the AML/CTF Rules are satisfied;

the obligation imposed on the reporting entity by subsection (2),

(3) or (4) may be discharged by any other member of the group.

Retention of records about correspondent banking relationships

*Scope*

This section applies to a financial institution if the financial institution prepared a record under section 96.

*Retention*

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*

Subsection (2) is a civil penalty provision.

**Record-keeping requirements Part 10**

**General provisions Division 7**

Exemptions

This Part (other than sections 109, 110, 115, 116 and 117) does not apply to a designated service that is of a kind specified in the AML/CTF Rules.

The AML/CTF Rules may provide that a specified provision of this Part (other than sections 109, 110, 115, 116 and 117) does not apply to a designated service that is of a kind specified in the AML/CTF Rules.

This Part (other than sections 109, 110, 115, 116 and 117) does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.

The AML/CTF Rules may provide that a specified provision of this Part (other than sections 109, 110, 115, 116 and 117) does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.

This Part (other than sections 109, 110, 115, 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.

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.

Simplified outline of this Part

**Secrecy and access Part 11**

**AUSTRAC entrusted persons Division 2**

Offence—AUSTRAC entrusted persons

A person commits an offence if:

the person is, or has been, an AUSTRAC entrusted person; and

the person accesses, makes a record of, authorises access to, discloses or otherwise uses information; and

the information is AUSTRAC information.

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

*Exceptions*

Subsection (1) does not apply if the access, making of the record, authorisation of the access, disclosure or use:

is for the purposes of this Act or the Financial Transaction Reports Act 1988; or

is for the purposes of the performance of the functions of the AUSTRAC CEO; or

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

is in accordance with a provision of this Part; or

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).

Subsection (1) does not apply if the disclosure is:

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

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*

If:

a person who is an AUSTRAC entrusted person discloses AUSTRAC information to another person under this section; and

the other person is none of the following:

an AUSTRAC entrusted person;

an official of a Commonwealth, State or Territory agency;

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*

A person commits an offence if:

the person is none of the following:

an AUSTRAC entrusted person;

an official of a Commonwealth, State or Territory agency;

a Minister of the Commonwealth or of a State or Territory; and

AUSTRAC information is disclosed to the person under subsection (2); and

the person is not subject to conditions under subsection (4) in relation to the information; and

the person discloses the information to another person.

**Secrecy and access Part 11**

**AUSTRAC entrusted persons Division 2**

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

A person commits an offence if:

the person is none of the following:

an AUSTRAC entrusted person;

an official of a Commonwealth, State or Territory agency;

a Minister of the Commonwealth or of a State or Territory; and

AUSTRAC information is disclosed to the person under subsection (2); and

the person is subject to conditions under subsection (4) in relation to the information; and

the person makes a record of, discloses or otherwise uses the information; and

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*

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

123 Offence of tipping off

*Prohibitions*

A reporting entity must not disclose to a person other than an AUSTRAC entrusted person:

that the reporting entity has given, or is required to give, a report under subsection 41(2); or

any information from which it could reasonably be inferred that the reporting entity has given, or is required to give, that report.

If:

a reporting entity gives a report to the AUSTRAC CEO under section 41, 43 or 45; and

in connection with that report, the reporting entity (the recipient) or another person (also the recipient) is required by a notice under subsection 49(1) to give information or produce a document;

the recipient must not disclose to a person (except an AUSTRAC entrusted person, the person who gave the notice or any other person who has given a notice to the recipient under

subsection 49(1) in connection with that report):

that the recipient is or has been required by a notice under subsection 49(1) to give information or produce a document; or

that the information has been given or the document has been produced; or

any information from which it could reasonably be inferred that:

the recipient had been required under subsection 49(1) to give information or produce a document; or

the information had been given under subsection 49(1); or

**Secrecy and access Part 11**

**Protection of information given under Part 3 Division 3**

the document had been produced under subsection 49(1).

*Exception—crime prevention*

Subsection (1) does not apply to the disclosure of information by a reporting entity if:

the reporting entity is:

a legal practitioner (however described); or

a partnership or company that carries on a business of using legal practitioners (however described) to supply professional legal services; or

a qualified accountant; or

a partnership or company that carries on a business of using qualified accountants to supply professional accountancy services; or

a person specified in the AML/CTF Rules; and

the information relates to the affairs of a customer of the reporting entity; and

the disclosure is made for the purposes of dissuading the customer from engaging in conduct that constitutes, or could constitute:

evasion of a taxation law; or

evasion of a law of a State or Territory that deals with taxation; or

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—legal advice*

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 (5) (see subsection 13.3(3) of the Criminal Code).

(5A) A person to whom information has been disclosed under subsection (5) must not disclose the information to another person.

*Exception—audit or review of anti-money laundering and counter-terrorism financing program*

(5B) Subsection (1) does not apply to the disclosure of information by a reporting entity if the disclosure is to a person appointed or engaged by the reporting entity to audit or review the reporting entity’s anti-money laundering and counter-terrorism financing program.

Note: A defendant bears an evidential burden in relation to the matter in subsection (5B) (see subsection 13.3(3) of the Criminal Code).

(5C) A person to whom information has been disclosed under subsection (5B) must not disclose the information unless the disclosure is made to another person in connection with the audit or review of the reporting entity’s anti-money laundering and counter-terrorism financing program.

*Exception—Charter of the United Nations Act 1945*

Subsection (1) does not apply to the disclosure of information about the operation of Part 4 of the Charter of the United Nations Act 1945.

Note: A defendant bears an evidential burden in relation to the matter in subsection (6) (see subsection 13.3(3) of the Criminal Code).

*Exception—members of a corporate group*

Subsection (1) does not apply to the disclosure of information by a reporting entity (the first entity) if:

the first entity belongs to a corporate group; and

the information relates to the affairs of a person (the relevant person) who is, or was, a customer of the first entity or who made inquiries referred to in subparagraph 41(1)(c)(i) of the first entity; and

the disclosure is made to a body corporate (the related body corporate) that belongs to the corporate group; and

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**Protection of information given under Part 3 Division 3**

the related body corporate is a reporting entity or is regulated by one or more laws of a foreign country that give effect to some or all of the FATF Recommendations; and

if the related body corporate is regulated by one or more laws of a foreign country that give effect to some or all of the FATF Recommendations—the related body corporate has given the first entity a written undertaking for:

protecting the confidentiality of information that may be disclosed to the related body corporate under this subsection; and

controlling the use that will be made of the information; and

ensuring that the information will be used only for the purpose for which it is disclosed to the related body corporate; and

the disclosure is made for the purpose of informing the related body corporate about the risks involved in dealing with the relevant person.

Note: A defendant bears an evidential burden in relation to the matter in subsection (7) (see subsection 13.3(3) of the Criminal Code).

(7AA) A reporting entity to whom information has been disclosed under subsection (7) must not disclose the information unless:

the disclosure is made to another reporting entity that belongs to the corporate group; and

the disclosure is made for the purpose of informing the other reporting entity about the risks involved in dealing with the relevant person.

*Exception—members of a designated business group*

(7AB) Subsection (1) does not apply to the disclosure of information by a reporting entity (the first entity) if:

the first entity belongs to a designated business group; and

the information relates to the affairs of a person (the relevant person) who is, or was, a customer of the first entity or who

made inquiries referred to in subparagraph 41(1)(c)(i) of the first entity; and

the disclosure is made to another person (the related person) that belongs to the designated business group; and

the related person is a reporting entity or is regulated by one or more laws of a foreign country that give effect to some or all of the FATF Recommendations; and

if the related person is regulated by one or more laws of a foreign country that give effect to some or all of the FATF Recommendations—the related person has given the first entity a written undertaking for:

protecting the confidentiality of information that may be disclosed to the related person under this subsection; and

controlling the use that will be made of the information; and

ensuring that the information will be used only for the purpose for which it is disclosed to the related person; and

the disclosure is made for the purpose of informing the related person about the risks involved in dealing with the relevant person.

Note: A defendant bears an evidential burden in relation to the matter in subsection (7AB) (see subsection 13.3(3) of the Criminal Code).

(7AC) A reporting entity to whom information has been disclosed under subsection (7AB) must not disclose the information unless:

the disclosure is made to another reporting entity that belongs to the designated business group; and

the disclosure is made for the purpose of informing the other reporting entity about the risks involved in dealing with the relevant person.

*Exception—remittance sector*

(7A) Subsection (1) does not apply to the disclosure of information by a reporting entity if:

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the reporting entity is a registered remittance affiliate of a registered remittance network provider and the disclosure is made to the registered remittance network provider; or

the reporting entity is a registered remittance network provider and the disclosure is made to a registered remittance affiliate of the registered remittance network provider.

(7B) A reporting entity to whom information has been disclosed under subsection (7A) must not disclose the information to another person.

*Exception—ADI*

Subsection (1) does not apply to the disclosure of information by a reporting entity if:

the reporting entity is an ADI; and

the disclosure is to an owner-managed branch of the ADI.

(8A) A person to whom information has been disclosed under subsection (8) must not disclose the information to another person.

*Exception—compliance with the law or law enforcement*

Subsection (1) does not apply to the disclosure of information by a reporting entity if:

the disclosure is in compliance with a requirement under a law of the Commonwealth, a State or a Territory; or

the disclosure is to an Australian government body that has responsibility for law enforcement.

Note: A defendant bears an evidential burden in relation to the matter in subsection (9) (see subsection 13.3(3) of the Criminal Code).

*Courts or tribunals*

Except where it is necessary to do so for the purposes of giving effect to this Act or the Financial Transaction Reports Act 1988, a reporting entity is not to be required to disclose to a court or tribunal information mentioned in subsection (1) or (2).

*Offence*

A person commits an offence if:

the person is subject to a requirement under subsection (1), (2), (5A), (5C), (7AA), (7AC), (7B) or (8A); and

the person engages in conduct; and

the person’s conduct breaches the requirement.

Penalty for contravention of this subsection: Imprisonment for 2 years or 120 penalty units, or both.

*Definition*

In this Act:

corporate group means a group of 2 or more bodies corporate that are related to each other under section 50 of the Corporations Act 2001.

124 Report and information not admissible

In any court or tribunal proceedings:

none of the following is admissible in evidence:

a report given under, or prepared for the purposes of, subsection 41(2);

a copy of such a report;

a document purporting to set out information (including the formation or existence of a suspicion) contained in such a report;

a document given or produced under subsection 49(1), in so far as that subsection relates to a communication under section 41; and

evidence is not admissible as to:

whether or not a report was prepared for the purposes of subsection 41(2); or

whether or not a report prepared for the purposes of subsection 41(2), or a document purporting to set out information (including the formation or existence of a

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suspicion) contained in such a report, was given to, or received by, the AUSTRAC CEO; or

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); or

whether or not particular information (including the formation or existence of a suspicion) was given under subsection 49(1), in so far as that subsection relates to a communication under section 41; or

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.

Subsection (1) does not apply to the following proceedings:

criminal proceedings for an offence against section 121, 123, 126, 128, 129, 136, 137, 161, 162 or 165 of this Act;

criminal proceedings for an offence against section 29 or 30 of the Financial Transaction Reports Act 1988;

proceedings under section 175 of this Act.

125 Access to AUSTRAC information

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.

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*

An authorisation under subsection (1) is not a legislative instrument.

126 Dealings with AUSTRAC information

A person commits an offence if:

the person is, or has been, an official of a Commonwealth,

State or Territory agency; and

the person has obtained AUSTRAC information under subsection 121(2) or (3), section 125 or subsection (2) of this section; and

**Secrecy and access Part 11**

Access to AUSTRAC information by Commonwealth, State or Territory agencies

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.*

Subsection (1) does not apply if:

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; or

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

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

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.*

Subject to subsection (3A), subsection (1) does not apply if the disclosure is to a person for the purposes of or in connection with:

court or tribunal proceedings; or

proposed or possible court or tribunal proceedings; or

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).

(3A) Subsection (3) does not apply if the AUSTRAC information:

was obtained under section 41 (reports of suspicious matters); or

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

was obtained under section 16 of the Financial Transaction Reports Act 1988 (reports of suspect transactions).

*Secondary disclosure*

A person commits an offence if:

AUSTRAC information is disclosed to the person under subsection (3); and

the person discloses the information to another person. Penalty: Imprisonment for 2 years or 120 penalty units, or both.

Subsection (4) does not apply if:

the disclosure is for the purposes of or in connection with:

the court or tribunal proceedings; or

the proposed or possible court or tribunal proceedings; or

obtaining or giving the legal advice; or

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).

**Secrecy and access Part 11**

**Disclosure of AUSTRAC information to foreign countries or agencies Division 5**

127 Disclosure of AUSTRAC information to foreign countries or agencies

*AUSTRAC CEO*

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:

where the AUSTRAC CEO considers it appropriate, the government of the foreign country, or the foreign agency, has given an undertaking for:

protecting the confidentiality of the information; and

controlling the use that will be made of the information; and

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

it is appropriate, in all the circumstances of the case, to do so.

*Commonwealth, State or Territory agencies*

A person who is:

the head (however described) of a Commonwealth, State or Territory agency referred to in subsection (3); or

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:

the government of the foreign country, or the foreign agency, has given an undertaking for:

protecting the confidentiality of the information; and

controlling the use that will be made of the information; and

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

it is appropriate, in all the circumstances of the case, to do so.

*List of agencies, authorities, bodies or organisations of the Commonwealth*

For the purposes of this section, the Commonwealth, State or Territory agencies are the following:

the Department;

the Attorney-General’s Department;

the Department of Foreign Affairs and Trade;

the Australian Federal Police;

the Australian Crime Commission;

the Australian Prudential Regulation Authority;

the Australian Securities and Investments Commission;

the Australian Taxation Office;

ASIO;

ASIS;

ASD;

AGO;

DIO;

ONI;

any other agency, authority, body or organisation of the Commonwealth that is prescribed by the AML/CTF Rules.

Note: See also the definition of agency in section 5.

*Authorisations*

For the purposes of paragraph (2)(b), the head (however described) of a Commonwealth, State or Territory agency referred to in subsection (3) may, in writing, authorise an official of the Commonwealth, State or Territory agency.

**Secrecy and access Part 11**

**Disclosure of AUSTRAC information to foreign countries or agencies Division 5**

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

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

128 Unauthorised accessing of AUSTRAC information

A person commits an offence if:

the person accesses information; and

the information is AUSTRAC information; and

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

A person commits an offence if:

information is disclosed to the person; and

the information is AUSTRAC information; and

the disclosure to the person is in contravention of this Part; and

the person makes a record of, discloses or otherwise uses the information.

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

*Exception*

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).

**Secrecy and access Part 11**

**Use of AUSTRAC information in court or tribunal proceedings Division 7**

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 Financial Transaction Reports Act 1988, a person is not to be required:

to produce a document containing AUSTRAC information to a court or tribunal; or

to disclose AUSTRAC information to a court or tribunal.

Simplified outline

The following is a simplified outline of this Part:

False or misleading information

A person commits an offence if:

the person gives information to:

the AUSTRAC CEO; or

an authorised officer; or

a customs officer; or

a police officer; or

a reporting entity; or

a person acting on a reporting entity’s behalf; and

the person does so knowing that the information:

is false or misleading; or

**Offences Part 12**

omits any matter or thing without which the information is misleading; and

the information is given, or purportedly given, under:

this Act; or

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.

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).

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).

Strict liability applies to the paragraph (1)(c) element of the offence.

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

Producing false or misleading documents

A person commits an offence if:

the person produces a document to:

the AUSTRAC CEO; or

an authorised officer; or

a customs officer; or

a police officer; or

a reporting entity; or

a person acting on a reporting entity’s behalf; and

the person does so knowing that the document is false or misleading; and

the document is produced, or purportedly produced, under:

this Act; or

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.

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).

Strict liability applies to the paragraph (1)(c) element of the offence.

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

False documents

*Making a false document*

A person commits an offence if:

the person makes a false document with the intention that the person or another will produce the false document in the course of an applicable customer identification procedure; and

the applicable customer identification procedure is under this Act.

Penalty: Imprisonment for 10 years or 10,000 penalty units, or both.

In a prosecution for an offence against subsection (1), it is not necessary to prove that the defendant knew that the applicable customer identification procedure is under this Act.

**Offences Part 12**

*Possessing a false document*

A person commits an offence if:

the person knows that a document is a false document; and

the person has it in his or her possession with the intention that the person or another will produce it in the course of an applicable customer identification procedure; and

the applicable customer identification procedure is under this Act.

Penalty: Imprisonment for 10 years or 10,000 penalty units, or both.

In a prosecution for an offence against subsection (3), it is not necessary to prove that the defendant knew that the applicable customer identification procedure is under this Act.

*Possessing equipment for making a false document*

A person commits an offence if the person:

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

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*

A person commits an offence if the person:

makes or adapts a device, material or other thing; and

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

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).

Penalty: Imprisonment for 10 years or 10,000 penalty units, or both.

*Interpretation*

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).

Providing a designated service using a false customer name or customer anonymity

A person commits an offence if:

the person is a reporting entity; and

the person commences to provide a designated service; and

the person does so using a false customer name; and

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.

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).

A person commits an offence if:

the person is a reporting entity; and

the person commences to provide a designated service; and

**Offences Part 12**

the person does so on the basis of customer anonymity; and

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.

Strict liability applies to the paragraph (3)(d) element of the offence.

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

Receiving a designated service using a false customer name or customer anonymity

A person commits an offence if:

the person commences to receive a designated service; and

the person does so using a false customer name; and

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.

Strict liability applies to the paragraph (1)(c) element of the offence.

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

A person commits an offence if:

the person commences to receive a designated service; and

the person does so on the basis of customer anonymity; and

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.

Strict liability applies to the paragraph (3)(c) element of the offence.

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

Customer commonly known by 2 or more different names— disclosure to reporting entity

A person commits an offence if:

the person commences to receive a designated service provided by a reporting entity; and

the person is commonly known by 2 or more different names; and

the person commences to receive the designated service using one of those names; and

the person has not previously disclosed the other name or names to the reporting entity; and

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.

Strict liability applies to the paragraph (1)(e) element of the offence.

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

Conducting transactions so as to avoid reporting requirements relating to threshold transactions

A person (the first person) commits an offence if:

the first person is, or causes another person to become, a party to 2 or more non-reportable transactions; and

having regard to:

the manner and form in which the transactions were conducted, including the matters to which subsection (3) applies; and

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,

**Offences Part 12**

or attempting to ensure, that the money, digital currency 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.

Penalty: Imprisonment for 5 years or 300 penalty units, or both.

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, digital currency 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.

This subsection applies to the following matters:

the value of the money, digital currency or property involved in each transaction;

the total value of the transactions;

the period of time over which the transactions took place;

the interval of time between any of the transactions;

the locations at which the transactions took place.

Conducting transfers to avoid reporting requirements relating to cross-border movements of monetary instruments

A person (the first person) commits an offence if:

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

having regard to:

the manner and form in which the movements were conducted, including the matters to which subsection (3) applies; and

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.

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.

This subsection applies to the following matters:

for each movement of the one or more monetary instruments—the sum of the monetary instrument amounts;

the total of the amounts applicable under paragraph (a) for the movements;

the period of time over which the movements occurred;

the interval of time between any of the movements;

the locations at which the movements were initiated or conducted.

**Audit Part 13**

**Introduction Division 1**

Simplified outline

The following is a simplified outline of this Part:

Appointment of authorised officers

The AUSTRAC CEO may, in writing, appoint as an authorised officer for the purposes of this Act:

a member of the staff of AUSTRAC; or

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.

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.

In exercising powers or performing functions as an authorised officer, an authorised officer must comply with any directions of the AUSTRAC CEO.

Identity cards

The AUSTRAC CEO must issue an identity card to an authorised officer.

The identity card must

be in a form approved in writing by the AUSTRAC CEO; and

contain a recent photograph of the authorised officer.

A person commits an offence if:

the person has been issued with an identity card; and

the person ceases to be an authorised officer; and

the person does not, within 3 business days after so ceasing, return the identity card to the AUSTRAC CEO.

**Audit Part 13**

**Appointment of authorised officers and issue of identity cards Division 2**

Penalty: 1 penalty unit.

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).

An authorised officer must carry the identity card at all times when exercising powers or performing functions as an authorised officer under this Part.

Subdivision A—Monitoring powers

Authorised officer may enter premises by consent or under a monitoring warrant

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:

enter any reporting entity business premises at any reasonable time of the day; and

exercise the monitoring powers set out in section 148.

An authorised officer is not authorised to enter premises under subsection (1) unless:

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

the entry is made under a monitoring warrant.

Note: Monitoring warrants are issued under section 159.

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.

Monitoring powers of authorised officers

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:

the power to search the premises for any compliance records that:

are kept at, or accessible from, the premises; and

relate to a reporting entity;

**Audit Part 13**

**Powers of authorised officers Division 3**

the power to search the premises for any system used by a reporting entity at the premises for keeping those records;

the power to search the premises for any reports under this Act that are retained at, or accessible from, the premises;

the power to search the premises for any system used by a reporting entity in connection with:

preparing reports under this Act; or

sending such reports to the AUSTRAC CEO; or

retaining such reports;

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;

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;

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;

the power to take photographs or make video or audio recordings or sketches on the premises of any such activity or thing;

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;

the power to take extracts from, or make copies of, any such document;

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;

the powers set out in subsections (2), (3) and (4).

For the purposes of this Act, monitoring powers include the power to secure a thing for no more than 24 hours if:

the thing is found during the exercise of monitoring powers on the premises; and

an authorised officer believes on reasonable grounds that:

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

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

the circumstances are serious and urgent.

For the purposes of this Act, monitoring powers include the power to operate equipment at the premises to see whether:

the equipment; or

a data storage device that:

is at the premises; and

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.

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:

the power to operate facilities at the premises to put the information in documentary form and copy the documents so produced;

the power to operate facilities at the premises to transfer the information to a disk, tape or other storage device that:

is brought to the premises for the exercise of the power; or

is at the premises and the use of which for the purpose has been agreed in writing by the occupier of the premises;

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).

**Audit Part 13**

**Powers of authorised officers Division 3**

Tampering or interfering with things secured in the exercise of monitoring powers

A person commits an offence if:

a thing has been secured by an authorised officer in the exercise of the monitoring powers set out in section 148; and

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

Authorised officer may ask questions and seek production of documents

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:

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

produce any document relating to the operation of this Act, the regulations or the AML/CTF Rules that is requested by the authorised officer.

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:

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

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.

A person commits an offence if:

the person is subject to a requirement under subsection (2); and

the person engages in conduct; and

the person’s conduct breaches the requirement.

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

*Self-incrimination*

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.

However:

the answer given or the document produced; or

answering the question or producing the document; is not admissible in evidence against the person:

in civil proceedings other than proceedings under the

Proceeds of Crime Act 2002 that relate to this Act; or

in criminal proceedings other than:

proceedings for an offence against subsection (3); or

proceedings for an offence against section 136 or 137 that relates to this section; or

proceedings for an offence against section 137.1 or

137.2 of the Criminal Code that relates to this section.

**Audit Part 13**

**Obligations and incidental powers of authorised officers Division 4**

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:

the occupier of the premises requires the authorised officer to produce his or her identity card for inspection by the occupier; and

the authorised officer fails to comply with the requirement.

Consent

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.

An entry of an authorised officer because of the consent of a person is not lawful unless the person voluntarily consented to the entry.

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.

A consent that is not limited as mentioned in subsection (3) has effect until the consent is withdrawn.

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.

Announcement before entry

An authorised officer executing a monitoring warrant must, before entering premises under the warrant:

announce that he or she is authorised to enter the premises; and

give any person at the premises an opportunity to allow entry to the premises.

Note: Monitoring warrants are issued under section 159.

Details of monitoring warrant to be given to occupier etc. before entry

If:

a monitoring warrant is being executed in relation to premises; and

either:

the occupier of the premises is present at the premises; or

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:

if subparagraph (b)(i) applies—the occupier of the premises; or

if subparagraph (b)(ii) applies—the person who apparently represents the occupier.

The authorised officer must identify himself or herself to that person.

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.

Use of electronic equipment in exercising monitoring powers

This section applies to the following premises:

premises that an authorised officer has entered, and remains on, with the consent of the occupier;

**Audit Part 13**

**Obligations and incidental powers of authorised officers Division 4**

warrant premises.

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.

If the authorised officer or a person assisting believes, on reasonable grounds, that:

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

expert assistance is required to operate the equipment; and

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.

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.

The equipment may be secured:

for a period not exceeding 24 hours; or

until the equipment has been operated by the expert; whichever first happens.

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.

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

extension. The occupier is entitled to be heard in relation to that application.

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.

Compensation for damage to electronic equipment

This section applies if:

as a result of electronic equipment being operated as mentioned in section 155:

damage is caused to the equipment; or

the data recorded on the equipment is damaged; or

programs associated with the use of the equipment, or with the use of the data, are damaged or corrupted; and

the damage or corruption occurs because:

insufficient care was exercised in selecting the person who was to operate the equipment; or

insufficient care was exercised by the person operating the equipment.

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.

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.

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.

**Audit Part 13**

**Obligations and incidental powers of authorised officers Division 4**

Compensation is payable out of money appropriated by the Parliament.

Occupier entitled to be present during execution of monitoring warrant

If:

a monitoring warrant is being executed; and

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.

The right to observe the execution of the warrant ceases if the person impedes that execution.

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.

Occupier to provide authorised officer with facilities and assistance

The occupier of warrant premises, or another person who apparently represents the occupier, must provide:

the authorised officer executing the monitoring warrant; and

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.

A person commits an offence if:

the person is subject to a requirement under subsection (1); and

the person engages in conduct; and

the person’s conduct breaches the requirement.

Penalty for contravention of this subsection: 30 penalty units.

**Audit Part 13**

**Monitoring warrants Division 6**

Monitoring warrants

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.

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).

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.

The warrant must:

contain a description of the premises to which the warrant relates; and

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:

to enter the premises; and

to exercise the powers set out in section 148 in relation to the premises; and

state whether the entry is authorised to be made at any time of the day or during specified hours of the day; and

specify the day (not more than 6 months after the issue of the warrant) on which the warrant ceases to have effect; and

state the purpose for which the warrant is issued.

Magistrates—personal capacity

*Functions conferred personally*

The functions conferred on a magistrate by section 159 are conferred on the magistrate:

in a personal capacity; and

not as a court or a member of a court.

*Functions need not be accepted*

The magistrate need not accept the functions conferred.

*Protection and immunity*

A magistrate performing a function conferred by section 159 has the same protection and immunity as if he or she were performing the function:

as the court of which the magistrate is a member; or

as a member of the court of which the magistrate is a member.

**Audit Part 13**

**External audits Division 7**

External audits—risk management etc.

*Scope*

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; and

mitigate; and

manage;

the risk the reporting entity may reasonably face that the provision by the reporting entity of designated services at or through a permanent establishment of the entity in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

financing of terrorism.

*Requirement*

The AUSTRAC CEO may, by written notice given to the reporting entity, require the reporting entity to:

appoint an external auditor; and

arrange for the external auditor to carry out an external audit of the reporting entity’s capacity and endeavours to:

identify; and

mitigate; and

manage;

the risk the reporting entity may reasonably face that the provision by the reporting entity of designated services at or through a permanent establishment of the reporting entity in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

financing of terrorism; and

arrange for the external auditor to give the reporting entity a written report (the audit report) setting out the results of the audit; and

give the AUSTRAC CEO a copy of the audit report within:

the period specified in the notice; or

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).

The notice must specify:

the matters to be covered by the audit; and

the form of the audit report and the kinds of details it is to contain.

The matters that may be specified under paragraph (3)(a) may include either or both of the following:

an assessment of the risk the reporting entity may reasonably face that the provision by the reporting entity of designated services at or through a permanent establishment of the reporting entity in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

financing of terrorism;

an assessment of what the reporting entity will need to do, or continue to do, to:

identify; and

mitigate; and

manage;

the risk the reporting entity may reasonably face that the provision by the reporting entity of designated services at or through a permanent establishment of the reporting entity in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

**Audit Part 13**

**External audits Division 7**

financing of terrorism.

Subsection (4) does not limit paragraph (3)(a).

*Eligibility for appointment as an external auditor*

An individual is not eligible to be appointed an external auditor by a reporting entity if:

the individual is an officer, employee or agent of the reporting entity; or

both:

the reporting entity belongs to a designated business group; and

the individual is an officer, employee or agent of another member of the designated business group.

*Offence*

A person commits an offence if:

the person is subject to a requirement under subsection (2); and

the person engages in conduct; and

the person’s conduct breaches the requirement.

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

*Civil penalty*

A reporting entity must comply with a requirement under subsection (2).

Subsection (8) is a civil penalty provision.

External audits—compliance

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.

The AUSTRAC CEO may, by written notice given to the reporting entity, require the reporting entity to:

appoint an external auditor; and

arrange for the external auditor to carry out an external audit of whichever of the following is specified in the notice:

the reporting entity’s compliance with this Act, the regulations and the AML/CTF Rules;

one or more specified aspects of the reporting entity’s compliance with this Act, the regulations and the AML/CTF Rules; and

arrange for the external auditor to give the reporting entity a written report (the audit report) setting out the results of the audit; and

give the AUSTRAC CEO a copy of the audit report within:

the period specified in the notice; or

if the AUSTRAC CEO allows a longer period—that longer period.

The notice must specify:

the matters to be covered by the audit; and

the form of the audit report and the kinds of details it is to contain.

The matters that may be specified under paragraph (3)(a) may include either or both of the following:

an assessment of the reporting entity’s existing capacity to comply with this Act, the regulations and the AML/CTF Rules;

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.

Subsection (4) does not limit paragraph (3)(a).

**Audit Part 13**

**External audits Division 7**

*Eligibility for appointment as an external auditor*

An individual is not eligible to be appointed an external auditor by a reporting entity if:

the individual is an officer, employee or agent of the reporting entity; or

both:

the reporting entity belongs to a designated business group; and

the individual is an officer, employee or agent of another member of the designated business group.

*Offence*

A person commits an offence if:

the person is subject to a requirement under subsection (2); and

the person engages in conduct; and

the person’s conduct breaches the requirement.

Penalty: Imprisonment for 12 months or 60 penalty units, or both.

*Civil penalty*

A reporting entity must comply with a requirement under subsection (2).

Subsection (8) is a civil penalty provision.

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:

an external audit was completed under that section within the last preceding 2 years; and

the external auditor is satisfied that the previous audit is still relevant;

have regard to the results of the previous audit.

External auditors

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.

An authorisation under subsection (1) is not a legislative instrument.

**Audit Part 13**

**Money laundering and terrorism financing risk assessments Division 8**

Money laundering and terrorism financing risk assessments

*Scope*

This section applies if the AUSTRAC CEO is satisfied that:

a reporting entity has not carried out a money laundering and terrorism financing risk assessment; or

a reporting entity has carried out a money laundering and terrorism financing risk assessment, but the assessment has ceased to be current; or

a reporting entity has carried out a money laundering and terrorism financing risk assessment, but the assessment is inadequate.

*Requirement*

The AUSTRAC CEO may, by written notice given to the reporting entity, require the reporting entity to:

carry out a money laundering and terrorism financing risk assessment; and

prepare a written report setting out the results of the assessment; and

give the AUSTRAC CEO a copy of the report within:

the period specified in the notice; or

if the AUSTRAC CEO allows a longer period—that longer period.

A person commits an offence if:

the person is subject to a requirement under subsection (2); and

the person engages in conduct; and

the person’s conduct breaches the requirement.

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

*Civil penalty*

A reporting entity must comply with a requirement under subsection (2).

Subsection (4) is a civil penalty provision.

*Money laundering and terrorism financing program risk assessment*

For the purposes of this Act, a money laundering and terrorism financing risk assessment is an assessment by a reporting entity of:

the risk the reporting entity may reasonably face that the provision by the reporting entity of designated services at or through a permanent establishment of the reporting entity in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

financing of terrorism; and

what the reporting entity will need to do, or continue to do, to:

identify; and

mitigate; and

manage;

the risk the reporting entity may reasonably face that the provision by the reporting entity of designated services at or through a permanent establishment of the reporting entity in Australia might (whether inadvertently or otherwise) involve or facilitate:

money laundering; or

financing of terrorism.

**Information-gathering powers Part 14**

Simplified outline

The following is a simplified outline of this Part:

Authorised officer may obtain information and documents

*Scope*

This section applies to a person if an authorised officer believes on reasonable grounds that:

any of the following subparagraphs applies:

the person is or has been a reporting entity;

the person is or has been an officer, employee or agent of a reporting entity;

the person’s name is or has been entered on the Remittance Sector Register; and

the person has information or a document that is relevant to the operation of this Act, the regulations or the AML/CTF Rules.

*Requirement*

The authorised officer may, by written notice given to the person, require the person:

to give to the authorised officer, within the period and in the manner specified in the notice, any such information; or

to produce to the authorised officer, within the period and in the manner specified in the notice, any such documents; or

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*

A person commits an offence if:

the person has been given a notice under subsection (2); and

the person omits to do an act; and

the omission contravenes a requirement in the notice. Penalty: Imprisonment for 6 months or 30 penalty units, or both.

*Notice to set out the effect of offence provisions*

A notice under subsection (2) must set out the effect of the following provisions:

subsection (3);

section 136;

section 137.

Note 1: Section 136 is about giving false or misleading information. Note 2: Section 137 is about producing false or misleading documents.

Copying documents—reasonable compensation

A person is entitled to be paid reasonable compensation for complying with a requirement covered by paragraph 167(2)(c).

Self-incrimination

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.

However:

the information given or the document produced; or

giving the information or producing the document;

**Information-gathering powers Part 14**

is not admissible in evidence against the person:

in civil proceedings other than:

proceedings under this Act; or

proceedings under the Proceeds of Crime Act 2002 that relate to this Act; or

in criminal proceedings other than:

proceedings for an offence against this Act; or

*proceedings for an offence against the Criminal Code*

that relates to this Act.

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.

Authorised officer may retain documents

An authorised officer may take possession of a document produced under this Part, and retain it for as long as is reasonably necessary.

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.

The certified copy must be received in all courts and tribunals as evidence as if it were the original.

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.

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

**Enforcement Part 15**

**Introduction Division 1**

Simplified outline

The following is a simplified outline of this Part:

Ancillary contravention of civil penalty provision

A person must not:

attempt to contravene a civil penalty provision (other than this subsection); or

aid, abet, counsel or procure a contravention of a civil penalty provision (other than this subsection); or

induce, whether by threats or promises or otherwise, a contravention of a civil penalty provision (other than this subsection); or

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

conspire with others to effect a contravention of a civil penalty provision (other than this subsection).

*Civil penalty*

Subsection (1) is a civil penalty provision.

Civil penalty orders

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.

An order under subsection (1) is to be known as a civil penalty order.

*Determining amount of pecuniary penalty*

In determining the pecuniary penalty, the Federal Court must have regard to all relevant matters, including:

the nature and extent of the contravention; and

**Enforcement Part 15**

**Civil penalties Division 2**

the nature and extent of any loss or damage suffered as a result of the contravention; and

the circumstances in which the contravention took place; and

whether the person has previously been found by the Federal Court in proceedings under this Act to have engaged in any similar conduct; and

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

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

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 Financial Transaction Reports Act 1988 to have engaged in any similar conduct.

*Maximum pecuniary penalty*

The pecuniary penalty payable by a body corporate must not exceed 100,000 penalty units.

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*

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*

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 person to recover a debt due by the person. The debt arising from the order is taken to be a judgment debt.

Who may apply for a civil penalty order

Only the AUSTRAC CEO may apply for a civil penalty order.

Subsection (1) does not exclude the operation of the Director of Public Prosecutions Act 1983.

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.

Time limit for application for an order

Proceedings for a civil penalty order may be started no later than 6 years after the contravention.

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.

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.

Criminal proceedings during civil proceedings

Proceedings for a civil penalty order against a person are stayed if:

criminal proceedings are started or have already been started against the person for an offence; and

**Enforcement Part 15**

**Civil penalties Division 2**

the offence is constituted by conduct that is substantially the same as the conduct alleged to constitute the contravention.

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.

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.

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:

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

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.

When an infringement notice can be given

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);

subsection 53(2) (which deals with reports about movements of monetary instruments);

subsections 74(1), (1A), (1B) and (1C) (which deal with providing certain remittance services if unregistered or in breach of a condition of registration);

subsection 75M(1) (which deals with notifying the AUSTRAC CEO of certain matters);

subsections 76A(1) and (2) (which deal with providing certain digital currency exchange services without being registered);

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.

**Enforcement Part 15**

**Infringement notices for certain contraventions Division 3**

(1C) An authorised officer must not issue an infringement notice relating to a contravention of subsection 32(1), 41(2), 43(2), 45(2) or 49(2) unless the authorised officer considers that issuing such a notice is appropriate in the particular case after taking into account:

the nature and extent of the contravention; and

the seriousness of the contravention; and

the circumstances in which the contravention took place; and

any other matter the authorised officer considers to be relevant.

The infringement notice must be given within 12 months after the day on which the contravention is alleged to have taken place.

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.

In this Act:

designated infringement notice provision means any of the following provisions:

subsection 32(1) (which deals with customer identification procedures to be carried out by reporting entities);

subsection 41(2) (which deals with reporting certain suspicious matters);

subsection 43(2) (which deals with reporting a threshold transaction);

subsection 45(2) (which deals with reporting an international funds transfer instruction);

subsection 47(2) (which deals with reporting on compliance with the Act and other instruments);

subsection 49(2) (which deals with providing further information on request);

subsection 116(2), (3) or (4) (which deal with making and retaining certain records).

Matters to be included in an infringement notice

An infringement notice must:

set out the name of the person to whom the notice is given; and

set out the name of the person who gave the notice; and

set out brief details relating to the alleged contravention of the infringement notice provision, including the date of the alleged contravention; and

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:

28 days after the notice is given; or

if the AUSTRAC CEO allows a longer period—that longer period; and

give an explanation of how payment of the penalty is to be made; and

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.

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*

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:

**Enforcement Part 15**

**Infringement notices for certain contraventions Division 3**

Section 186A

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

otherwise—60 penalty units.

*Infringement notice—persons other than bodies corporate*

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:

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

otherwise—12 penalty units.

*AML/CTF Rules may specify penalty units*

For the purposes of paragraphs (1)(a) and (2)(a), the AML/CTF Rules may:

specify one or more kinds of alleged contraventions; and

for each kind of contravention—specify a particular number of penalty units that applies.

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:

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;

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.

Section 186B

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:

in the case of an alleged contravention by a body corporate— 120 penalty units; or

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

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.

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.

Withdrawal of an infringement notice

This section applies if an infringement notice is given to a person.

An authorised officer may, by written notice (the withdrawal notice) given to the person, withdraw the infringement notice.

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*

If:

the penalty specified in the infringement notice is paid; and

the infringement notice is withdrawn after the penalty is paid; the Commonwealth is liable to refund the penalty.

**Enforcement Part 15**

**Infringement notices for certain contraventions Division 3**

What happens if the penalty is paid

This section applies if:

an infringement notice relating to an alleged contravention of an infringement notice provision is given to a person; and

the penalty is paid in accordance with the infringement notice; and

the infringement notice is not withdrawn.

Any liability of the person for the alleged contravention is discharged.

Criminal proceedings, or section 175 proceedings, may not be brought against the person for the alleged contravention.

Effect of this Division on criminal and civil proceedings

This Division does not:

require an infringement notice to be given in relation to an alleged contravention of an infringement notice provision; or

affect the liability of a person to have:

criminal proceedings brought against the person for an alleged contravention of subsection 53(1), 74(2), (4),

or (8) or 76A(3), (5), (7) or (9); or

section 175 proceedings brought against the person for an alleged contravention of an infringement notice provision;

if:

the person does not comply with an infringement notice relating to the contravention; or

an infringement notice relating to the contravention is not given to the person; or

an infringement notice relating to the contravention is given to the person and subsequently withdrawn; or

limit a court’s discretion to determine the amount of a penalty to be imposed on a person who:

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

is found in section 175 proceedings to have contravened an infringement notice provision.

**Enforcement Part 15**

**Monitoring of compliance Division 4**

Monitoring of compliance

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.

If:

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

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

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.

An action, suit or proceeding (whether criminal or civil) does not lie against:

the Commonwealth; or

the AUSTRAC CEO; or

a member of the staff of AUSTRAC;

in relation to any action taken under this section by way of:

the giving of a report; or

the giving of a copy of a report.

Subsection (2) does not limit section 125.

Remedial directions

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)).

The AUSTRAC CEO may give the reporting entity a written direction requiring the reporting entity to do one or both of the following:

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;

in the case of a contravention of subsection 43(2), 45(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.

The following are examples of the kinds of direction that may be given to a reporting entity under paragraph (2)(a):

a direction that the reporting entity implement effective administrative systems for monitoring compliance with a civil penalty provision;

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:

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

**Enforcement Part 15**

**Remedial directions Division 5**

must not act under paragraph (2)(b) unless the AUSTRAC CEO has:

assessed the risks that have arisen in view of the contravention; and

determined that giving a direction under that paragraph is an appropriate and proportionate response in the circumstances.

A reporting entity must not contravene a direction under subsection (2).

*Civil penalty*

Subsection (4) is a civil penalty provision.

*Remedial direction is not a legislative instrument*

A direction under subsection (2) is not a legislative instrument.

Injunctions

*Restraining injunctions*

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:

restraining the person from engaging in the conduct; and

if, in the Court’s opinion, it is desirable to do so—requiring the person to do something.

*Performance injunctions*

If:

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

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.

Interim injunctions

*Grant of interim injunction*

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.

**Enforcement Part 15**

**Injunctions Division 6**

*No undertakings as to damages*

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.

Discharge etc. of injunctions

The Federal Court may discharge or vary an injunction granted under this Division.

Certain limits on granting injunctions not to apply

*Restraining injunctions*

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:

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

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*

The power of the Federal Court to grant an injunction requiring a person to do an act or thing may be exercised:

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

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.

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.

**Enforcement Part 15**

**Enforceable undertakings Division 7**

Acceptance of undertakings

The AUSTRAC CEO may accept any of the following undertakings:

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;

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;

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.

The undertaking must be expressed to be an undertaking under this section.

The person may withdraw or vary the undertaking at any time, but only with the consent of the AUSTRAC CEO.

The AUSTRAC CEO may, by written notice given to the person, cancel the undertaking.

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:

is commercial in confidence; or

should not be released because it would be against the public interest to do so; or

consists of personal details of an individual.

If:

the AUSTRAC CEO publishes a copy of the undertaking on AUSTRAC’s website; and

the copy has information deleted from it;

the copy must include a note stating that information has been deleted.

Enforcement of undertakings

If:

a person has given an undertaking under section 197; and

the undertaking has not been withdrawn or cancelled; and

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).

If the Federal Court is satisfied that the person has breached the undertaking, the Court may make any or all of the following orders:

an order directing the person to comply with the undertaking;

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;

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;

any other order that the Court considers appropriate.

**Enforcement Part 15**

Powers of questioning, search and arrest for cross-border movements of monetary

**instruments Division 8**

Questioning and search powers in relation to monetary instruments

*Person leaving Australia*

A person who is:

about to leave Australia; or

in an embarkation area for the purpose of leaving Australia; must, if required to do so by a police officer or a customs officer:

declare whether or not the person has with him or her any monetary instruments; and

declare the sum of the monetary instrument amounts for the monetary instruments that the person has with him or her; and

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

produce to the officer any monetary instruments that the person has with him or her.

*Person arriving in Australia*

A person who arrives in Australia must, if required to do so by a police officer or a customs officer:

declare whether or not the person has with him or her any monetary instruments; and

declare the sum of the monetary instrument amounts for the monetary instruments that the person has with him or her; and

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

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 bearer negotiable instrument; or

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:

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

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*

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:

the person:

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**instruments Division 8**

is about to leave Australia or has arrived in Australia; or

is about to board or leave, or has boarded or left, any ship or aircraft; and

either:

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

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).

Either:

a police officer; or

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:

any of the following subparagraphs applies:

the person is about to leave Australia;

the person has arrived in Australia;

the person is about to board or leave a ship or aircraft;

the person has boarded or left a ship or aircraft; and

the officer has reasonable grounds to suspect that there is on the person, or in clothing being worn by the person:

a monetary instrument in respect of which a report under section 53 is required; or

a monetary instrument that may be of interest under subsection (14).

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:

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

the police officer or customs officer has reasonable grounds to suspect that the monetary instrument may be of interest under subsection (14).

A person must not be searched under subsection (4) except by a person of the same sex.

*Boarding of ships and aircraft*

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).

A police officer or a customs officer may, with such assistance as is reasonable and necessary:

board a ship or aircraft; or

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:

any monetary instrument in respect of which a report under section 53 is required; or

any monetary instrument that may be of interest under subsection (14).

*Entry to eligible places*

A police officer or a customs officer may, with such assistance as is reasonable and necessary:

go onto or enter any eligible place; and

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:

any monetary instrument in respect of which a report under section 53 is required; or

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any monetary instrument that may be of interest under subsection (14).

*Seizure*

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:

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

the police officer or customs officer has reasonable grounds to suspect that the monetary instrument may be of interest under subsection (14).

*Offence*

A person commits an offence if:

the person is subject to a requirement under subsection (1) or

(2); and

the person engages in conduct; and

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*

If a person is subject to a requirement under subsection (1) or (2), the person must not engage in conduct that breaches the requirement.

Subsection (12) is a civil penalty provision.

*Monetary instrument of interest*

For the purposes of this section, a monetary instrument may be of interest if the monetary instrument:

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

may be of assistance in the enforcement of the Proceeds of Crime Act 2002 or regulations under that Act; or

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.

Arrest without warrant

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.

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.

A person commits an offence if:

the person engages in conduct; and

the conduct resists, obstructs or prevents the arrest of a person under this section.

Penalty: 10 penalty units.

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).

**Enforcement Part 15**

**Notices to reporting entities Division 9**

Notices to reporting entities

Each of the following persons is authorised to give notices under this section:

the AUSTRAC CEO;

an authorised officer;

the Commissioner of the Australian Federal Police;

a Deputy Commissioner of the Australian Federal Police;

a senior executive AFP employee (within the meaning of the

Australian Federal Police Act 1979) who is:

a member of the Australian Federal Police; and

authorised in writing by the Commissioner of the Australian Federal Police for the purposes of this section;

the Chief Executive Officer of the Australian Crime Commission;

an examiner of the Australian Crime Commission;

an approved examiner (within the meaning of the Proceeds of Crime Act 2002).

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:

determining whether the other person provides designated services at or through a permanent establishment of the other person in Australia;

ascertaining details relating to any permanent establishment in Australia at or through which the other person provides designated services;

ascertaining details relating to designated services provided by the other person at or through a permanent establishment of the other person in Australia.

A person must not give a notice under subsection (2) unless the person reasonably believes that giving the notice is required:

to determine whether to take any action under this Act; or

in relation to proceedings under this Act.

A person must comply with a notice given to the person under subsection (2).

Contents of notices to reporting entities

A notice given by a person to another person under subsection 202(2) must:

state that the first-mentioned person believes that the notice is required:

to determine whether to take any action under this Act; or

in relation to proceedings under this Act; (as the case requires); and

specify the name of the other person; and

specify the kind of information or documents required to be given or produced; and

specify the form and manner in which that information or those documents are to be given or produced; and

specify the period within which the information or documents must be given or produced; and

set out the effect of section 204 (breaching a requirement under a notice); and

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).

**Enforcement Part 15**

**Notices to reporting entities Division 9**

Breaching a notice requirement

A person commits an offence if:

the person is subject to a requirement under subsection 202(4); and

the person engages in conduct; and

the person’s conduct breaches the requirement.

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

Self-incrimination

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.

However:

the information given or the document produced; or

giving the information or producing the document; is not admissible in evidence against the person:

in civil proceedings other than:

proceedings under this Act; or

proceedings under the Proceeds of Crime Act 2002 that relate to this Act; or

in criminal proceedings other than:

proceedings for an offence against this Act; or

*proceedings for an offence against the Criminal Code*

that relates to this Act.

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

Disclosing existence or nature of notice

A person commits an offence if:

the person is given a notice under subsection 202(2); and

the notice specifies that information about the notice must not be disclosed; and

the person discloses the existence or nature of the notice. Penalty: Imprisonment for 2 years or 120 penalty units, or both.

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).

Subsection (1) does not apply to the disclosure of information by a reporting entity if:

the reporting entity is a member of a designated business group; and

the disclosure is made to another member of the designated business group.

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

**Administration Part 16**

**Introduction Division 1**

Simplified outline

The following is a simplified outline of this Part:

Establishment of AUSTRAC

The Australian Transaction Reports and Analysis Centre established under the Financial Transaction Reports Act 1988 continues in existence by force of this subsection, under and subject to the provisions of this Act.

The Australian Transaction Reports and Analysis Centre may also be known as AUSTRAC.

AUSTRAC consists of:

the AUSTRAC CEO; and

the staff of AUSTRAC.

Note: AUSTRAC does not have a legal identity separate from the Commonwealth.

For the purposes of the finance law (within the meaning of the

Public Governance, Performance and Accountability Act 2013):

AUSTRAC is a listed entity; and

the AUSTRAC CEO is the accountable authority of AUSTRAC; and

the following persons are officials of AUSTRAC:

the AUSTRAC CEO;

the staff of AUSTRAC referred to in section 224;

consultants engaged under subsection 225(1);

persons whose services are made available to the AUSTRAC CEO under subsection 225(3); and

the purposes of AUSTRAC include:

the function of AUSTRAC referred to in section 210; and

the functions of the AUSTRAC CEO referred to in section 212.

**Administration Part 16**

**Establishment and function of AUSTRAC Division 2**

Function of AUSTRAC

The function of AUSTRAC is to assist the AUSTRAC CEO in the performance of the AUSTRAC CEO’s functions.

Subdivision A—Office and functions of the AUSTRAC CEO

AUSTRAC CEO

There is to be a Chief Executive Officer of AUSTRAC.

The Chief Executive Officer of AUSTRAC may also be known as the AUSTRAC CEO.

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 Financial Transaction Reports Act 1988.

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.

Functions of the AUSTRAC CEO

The functions of the AUSTRAC CEO are:

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

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

to advise and assist reporting entities in relation to their obligations under this Act, the regulations and the AML/CTF Rules; and

**Administration Part 16**

**Chief Executive Officer of AUSTRAC Division 3**

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

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

such other functions as are conferred on the AUSTRAC CEO by or under:

this Act; or

the regulations; or

any other law of the Commonwealth; and

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:

monitoring compliance with this Act, the regulations and the AML/CTF Rules (see section 190); and

making AML/CTF Rules (see section 229).

In performing the AUSTRAC CEO’s functions, the AUSTRAC CEO must:

consult with the following:

reporting entities or the representatives of reporting entities;

the Commissioner of the Australian Federal Police;

the Chief Executive Officer of the Australian Crime Commission;

the Commissioner of Taxation;

the Comptroller-General of Customs;

the Information Commissioner in relation to matters that relate to the privacy functions (within the meaning of the Australian Information Commissioner Act 2010); and

take into account any comments made in the course of those consultations.

In performing the AUSTRAC CEO’s functions under this Act, the AUSTRAC CEO must have regard to the following:

the integrity of the financial system;

crime reduction;

the desirability of ensuring that regulatory considerations are addressed in a way that does not impose unnecessary financial and administrative burdens on reporting entities;

the desirability of adopting a risk-based approach;

competitive neutrality;

competition;

economic efficiency;

privacy;

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.

In performing the AUSTRAC CEO’s functions under this Act, the AUSTRAC CEO must have regard to:

any relevant FATF Recommendations; and

any relevant Conventions mentioned in subsection 3(3); and

any relevant Resolutions mentioned in subsection 3(3).

Any failure to comply with the requirements of subsection (2), (3), (3A) or (4) in relation to the performance of a function of the

**Administration Part 16**

**Chief Executive Officer of AUSTRAC Division 3**

AUSTRAC CEO does not affect the validity of the performance of the function.

Subsection (5) does not apply in determining the constitutional validity of the performance of the AUSTRAC CEO’s functions.

Policy principles

The Minister may give written policy principles to the AUSTRAC CEO about the performance of the AUSTRAC CEO’s functions.

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.

The AUSTRAC CEO must comply with the policy principles (if any) when performing the AUSTRAC CEO’s functions.

Policy principles are not legislative instruments.

Subdivision B—Appointment of the AUSTRAC CEO etc.

Appointment of the AUSTRAC CEO etc.

The AUSTRAC CEO is to be appointed by the Minister by written instrument.

The AUSTRAC CEO is to be appointed on a full-time basis.

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.

Remuneration and allowances of the AUSTRAC CEO

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

CEO is to be paid the remuneration that is determined by the Minister.

The AUSTRAC CEO is to be paid the allowances that are prescribed.

This section has effect subject to the Remuneration Tribunal Act 1973.

Leave of absence of the AUSTRAC CEO

The AUSTRAC CEO has the recreation leave entitlements that are determined by the Remuneration Tribunal.

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.

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*

The Minister may terminate the appointment of the AUSTRAC CEO for misbehaviour or physical or mental incapacity.

The Minister may terminate the appointment of the AUSTRAC CEO if:

the AUSTRAC CEO:

becomes bankrupt; or

applies to take the benefit of any law for the relief of bankrupt or insolvent debtors; or

compounds with his or her creditors; or

makes an assignment of his or her remuneration for the benefit of his or her creditors; or

**Administration Part 16**

**Chief Executive Officer of AUSTRAC Division 3**

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

the AUSTRAC CEO engages, except with the Minister’s approval, in paid employment outside the duties of his or her office; or

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

the Minister is satisfied that the performance of the AUSTRAC CEO has been unsatisfactory for a significant period.

*Conflict of interest*

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.

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.

If:

the Minister requires the AUSTRAC CEO to dispose of an interest; and

the AUSTRAC CEO refuses or fails to comply with that requirement;

the Minister must terminate the appointment of the AUSTRAC CEO.

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:

during a vacancy in the office of AUSTRAC CEO (whether or not an appointment has previously been made to the office); or

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

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.

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*

The Secretary may, by written notice given to the AUSTRAC CEO, require the AUSTRAC CEO to:

prepare a document setting out specified information relating to the performance of the AUSTRAC CEO’s functions; and

**Administration Part 16**

**Chief Executive Officer of AUSTRAC Division 3**

give a copy of the document to the Secretary within the period specified in the notice.

*Compliance with requirement*

The AUSTRAC CEO must comply with a requirement under subsection (1).

224 Staff of AUSTRAC

The staff of AUSTRAC are persons engaged under the Public Service Act 1999.

For the purposes of the Public Service Act 1999:

the AUSTRAC CEO and the staff of AUSTRAC together constitute a Statutory Agency; and

the AUSTRAC CEO is the Head of that Statutory Agency.

225 Consultants and persons seconded to AUSTRAC

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.

The terms and conditions of engagement of persons engaged under subsection (1) are such as the AUSTRAC CEO determines in writing.

The AUSTRAC CEO may also be assisted:

by officers and employees of Agencies (within the meaning of the Public Service Act 1999); or

by officers and employees of authorities of the Commonwealth; or

by members of the Australian Federal Police; or

by officers and employees of a State or Territory; or

by officers and employees of authorities of a State or Territory; or

by members of the police force or police service of a State or Territory; or

**Administration Part 16**

**Staff of AUSTRAC etc. Division 4**

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.

Directions by Minister

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.

The Minister must not give a direction under subsection (1) about a particular case.

The AUSTRAC CEO must comply with a direction under subsection (1).

A direction under subsection (1) is not a legislative instrument.

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.

**Administration Part 16**

**AUSTRAC CEO may use computers to take administrative action Division 6A**

Section 228A

228A AUSTRAC CEO may use computers to take administrative action

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.

The AML/CTF Rules may prescribe a provision for the purposes of subsection (1) if the provision is any of the following:

a provision of Part 3A of this Act (Reporting Entities Roll);

a provision of Part 6 of this Act (the Remittance Sector Register);

a provision of Part 6A of this Act (the Digital Currency Exchange Register);

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;

a provision of an instrument made under a provision of this Act mentioned in paragraph (a), (b) or (c) of this subsection.

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.

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.

Section 228A

*Substituted decisions*

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.

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.

To avoid doubt, if:

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

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*

An arrangement made under subsection (1) is not a legislative instrument.

***Meaning of administrative action***

Each of the following constitutes taking administrative action:

making a decision;

exercising any power or complying with any obligation;

doing anything else related to making a decision or exercising a power or complying with an obligation.

**Administration Part 16**

**AML/CTF Rules Division 7**

AML/CTF Rules

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.

AML/CTF Rules are legislative instruments.

*Ministerial directions with respect to the making of AML/CTF Rules*

The Minister may give the AUSTRAC CEO a written direction about the exercise of the powers conferred on the AUSTRAC CEO by subsection (1).

The AUSTRAC CEO must comply with a direction under subsection (3).

Simplified outline

The following is a simplified outline of this Part:

Criminal liability of corporations

Civil liability of corporations

*State of mind*

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 director, employee or agent of the corporation engaged in that conduct; and

the director, employee or agent was, in engaging in that conduct, acting within the scope of his or her actual or apparent authority; and

the director, employee or agent had that state of mind.

*Conduct*

If:

conduct is engaged in on behalf of a corporation by a director, employee or agent of the corporation; and

**Vicarious liability Part 17**

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.

Liability of persons other than corporations

*State of mind*

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:

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

the employee or agent had that state of mind.

*Conduct*

If:

conduct is engaged in on behalf of a person other than a corporation by an employee or agent of the person; and

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*

Despite any other provision of this Act, if:

a person is convicted of an offence; and

the person would not have been convicted of the offence if subsections (1) and (2) had not been in force;

the person is not liable to be punished by imprisonment for that offence.

**Review of decisions Part 17A**

Section 233A

233A Simplified outline

The following is a simplified outline of this Part:

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**

A decision under subsection 75B(6) or section 75C to refuse to register a person as:

a remittance network provider; or

an independent remittance dealer; or

a remittance affiliate of a registered remittance network provider.

A decision under section 75E to impose conditions to which a person’s registration is subject.

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 digital currency exchange 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**

A decision under subsection 161(2) to require certain things of a reporting entity.

A decision under subparagraph 161(2)(d)(ii) not to allow a longer period.

A decision under subsection 191(2) to give a reporting entity a direction.

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

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:

the terms of the decision; and

for a decision under section 75G or 76J to cancel a person’s registration—the date the cancellation takes effect; and

the reasons for the decision; and

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.

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

This section applies to a reviewable decision if the decision is made by a delegate of the AUSTRAC CEO.

**Review of decisions Part 17A**

Section 233E

Note: Reviewable decisions made by the AUSTRAC CEO personally may be reviewed by the Administrative Review Tribunal (see

paragraph 233F(b)).

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.

The application must:

be in the approved form; and

contain the information required by the AML/CTF Rules; and

be made within:

30 days after the applicant is informed of the decision; or

such longer period as the AUSTRAC CEO (whether before or after the end of the 30 day period) allows.

An approved form of an application may provide for verification by statutory declaration of statements in applications.

233E Reconsideration of reviewable decisions

Upon receiving an application under section 233D, the AUSTRAC CEO must reconsider the reviewable decision.

The AUSTRAC CEO must:

affirm, vary or revoke the reviewable decision; and

if the AUSTRAC CEO revokes the reviewable decision, make such other decision (if any) as the AUSTRAC CEO thinks appropriate.

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:

was not involved in making the reviewable decision; and

occupies a position in AUSTRAC that is senior to that occupied by any person involved in making the reviewable decision.

Section 233F

The AUSTRAC CEO must, as soon as practicable after making a decision under subsection (2), give written notice to the applicant of:

the decision; and

if the decision is to cancel a person’s registration—the date the cancellation takes effect; and

the reasons for the decision; and

a statement setting out particulars of the applicant’s right to have the decision reviewed by the Administrative Review Tribunal.

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 decision of the AUSTRAC CEO under subsection 233E(2); or

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.

**Miscellaneous Part 18**

Simplified outline

The following is a simplified outline of this Part:

Protection from liability

An action, suit or proceeding (whether criminal or civil) does not lie against:

a person (the first person); or

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:

in carrying out an applicable customer identification procedure under this Act; or

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

in compliance, or in purported compliance, with any other requirement under:

this Act; or

the regulations; or

the AML/CTF Rules.

Subsection (1) does not apply to the following proceedings:

criminal proceedings for an offence against this Act or the regulations;

section 175 proceedings for a contravention of a civil penalty provision;

proceedings under the Proceeds of Crime Act 2002 that relate to this Act.

**Miscellaneous Part 18**

Defence of taking reasonable precautions, and exercising due diligence, to avoid a contravention

*Scope*

This section applies to the following proceedings:

criminal proceedings for an offence against the regulations;

section 175 proceedings for a contravention of a civil penalty provision;

proceedings under the Proceeds of Crime Act 2002 that relate to this Act.

*Defence*

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.

Treatment of partnerships

This Act applies to a partnership as if it were a person, but with the changes set out in this section.

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.

An offence against this Act that would otherwise be committed by the partnership is taken to have been committed by each partner.

A partner does not commit an offence because of subsection (3) if the partner:

does not know of the circumstances that constitute the contravention of the provision concerned; or

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.

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.

Treatment of unincorporated associations

This Act applies to an unincorporated association as if it were a person, but with the changes set out in this section.

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.

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.

A member of the association’s committee of management does not commit an offence because of subsection (3) if the member:

does not know of the circumstances that constitute the contravention of the provision concerned; or

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.

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.

**Miscellaneous Part 18**

Treatment of trusts with multiple trustees

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).

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.

An offence against this Act that would otherwise be committed by the trust is taken to have been committed by each trustee.

A trustee does not commit an offence because of subsection (3) if the trustee:

does not know of the circumstances that constitute the contravention of the provision concerned; or

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.

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.

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.

Act not to limit other powers

This Act does not limit any power that a person has, under any other law, to obtain information.

This Act does not limit any power that a customs officer or police officer has under any other law.

Law relating to legal professional privilege not affected

This Act does not affect the law relating to legal professional privilege.

Validity of transactions

A contravention of this Act, the regulations or the AML/CTF Rules does not affect the validity of any transaction.

Reports to the AUSTRAC CEO etc.

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:

signed by the person; or

otherwise authenticated by the person in an approved way.

A report to the AUSTRAC CEO by a person under this Act must be given to the AUSTRAC CEO:

in the manner set out in section 28A of the Acts Interpretation Act 1901; or

in such other manner and form as is approved in relation to the person or to a class of persons that includes the person.

This section does not affect the operation of the Electronic Transactions Act 1999.

Arrangements with Governors of States etc.

*States*

The Governor-General may make arrangements with the Governor of a State with respect to the administration of this Act, including

**Miscellaneous Part 18**

arrangements for the performance of the functions of a magistrate under this Act by a magistrate of that State.

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*

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.

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*

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.

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).

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*

An instrument by which an arrangement under this section is made, varied or revoked is not a legislative instrument.

This Act does not limit other information-gathering powers

This Act does not limit:

any power conferred on the Commissioner of Taxation, by any other law, to obtain information; or

any power conferred on any other person or body, by any other law, to obtain information.

General exemptions

This Act does not apply to a designated service that is of a kind specified in the AML/CTF Rules.

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.

This Act does not apply to a designated service that is provided in circumstances specified in the AML/CTF Rules.

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.

Exemptions and modifications by the AUSTRAC CEO

The AUSTRAC CEO may, by written instrument:

exempt a specified person from one or more specified provisions of this Act; or

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.

An exemption may apply:

unconditionally; or

subject to specified conditions.

A person to whom a condition specified in an exemption applies must comply with the condition.

**Miscellaneous Part 18**

Subsection (3) is a civil penalty provision.

A copy of an exemption or declaration must be made available on AUSTRAC’s website.

If conduct engaged in by a person would not have constituted:

an offence; or

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:

a copy of the declaration was made available on AUSTRAC’s website; or

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.

An instrument under subsection (1) is not a legislative instrument.

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:

subsection 13(3) of the Legislation Act 2003; or

subsection 33(3AB) of the Acts Interpretation Act 1901.

Schedule 1 (alternative constitutional basis)

Schedule 1 has effect.

Review of operation of Act

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.

The Minister must cause to be prepared a report of the review under subsection (1).

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.

Regulations

The Governor-General may make regulations prescribing matters:

required or permitted to be prescribed by this Act; or

necessary or convenient to be prescribed for carrying out or giving effect to this Act.

*Penalties*

The regulations may prescribe penalties for offences against the regulations. A penalty must not be more than 50 penalty units.

*Fees*

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.

A fee must not be such as to amount to taxation.

A fee is payable to the Commonwealth.

**Alternative constitutional basis Schedule 1**

Clause 1

Schedule 1—Alternative constitutional basis

Note: See section 250.

1 Alternative constitutional basis

Without limiting its effect apart from this clause, this Act also has effect as provided by this clause.

*Limited types of designated services*

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:

the designated service consists of:

issuing a bill of exchange or a promissory note; or

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

both:

the provision of the designated service involves a transaction; and

the transaction involves the transfer of physical currency from one person to another; or

the customer of the designated service is a constitutional corporation; or

the designated service is provided by a constitutional corporation; or

the designated service is provided in the course of, or in relation to, any of the following:

trade or commerce between Australia and places outside Australia;

trade or commerce among the States;

trade or commerce within a Territory, between a State and a Territory or between 2 Territories;

Schedule 1 Alternative constitutional basis

Clause 1

the supply of goods or services to the Commonwealth or an authority or instrumentality of the Commonwealth; or

the designated service is provided in the course of, or in relation to, banking to which paragraph 51(xiii) of the Constitution applies; or

the designated service is provided in the course of, or in relation to, insurance to which paragraph 51(xiv) of the Constitution applies; or

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

the designated service is provided:

in a Territory; or

in a Commonwealth place; or

in a foreign country; or

the designated service is provided by a person:

at or through a permanent establishment of the person in a Territory; or

at or through a permanent establishment of the person in a Commonwealth place; or

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*

This Act also has the effect it would have if:

subclause (2) had not been enacted; and

this Act did not apply except to the extent to which it:

facilitates the administration or enforcement of taxation laws; or

facilitates the administration or enforcement of laws of the Commonwealth or of the Territories (other than taxation laws).

**Alternative constitutional basis Schedule 1**

Clause 1

*Cross-border movements of bearer negotiable instruments*

a bill of exchange; or

a promissory note.

*Correspondent banking*

each reference in section 95 to another person were, by express provision, confined to another person that is:

a constitutional corporation; or

an individual who is physically present in a foreign country; and

each reference in section 95 or 96 to another financial institution were, by express provision, confined to another financial institution that is:

a constitutional corporation; or

an individual who is physically present in a foreign country.

***Extended meaning of permanent establishment***

For the purposes of paragraph (2)(j) of this clause:

subsection 21(2) has effect as if each reference in that subsection to a country included a reference to:

a Territory; and

a Commonwealth place; and

ignore subsection 21(3).