



**Australian Government**  
**Australian Transaction Reports  
and Analysis Centre**

# **AML/CTF Compliance Report**

## **- Financial Services**

*Section 47 – Anti-Money Laundering  
and Counter-Terrorism Financing Act 2006*

This is a sample of the Approved Form and is for information only.



**Australian Government**  
**Australian Transaction Reports  
and Analysis Centre**

## Introduction

Under subsection 47(2) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) reporting entities are required to periodically provide reports to the Australian Transaction Reports and Analysis Centre (AUSTRAC) regarding their compliance with the AML/CTF Act, regulations and Rules.

The scope of the obligation is outlined in subsections 47(1) and (2). The AML/CTF Rules under section 47(1) specify the reporting period(s) and the lodgement period within which compliance reports are required to be submitted to AUSTRAC. The Rules may provide that a specified period may be a recurring period.

Subsection 47(2) provides that if such a reporting period is made in the AML/CTF Rules, then the reporting entity is required to give a report to the AUSTRAC Chief Executive Officer (CEO) within the lodgement period under subsection 47(2). Subsection 47(3) requires the compliance report to be in the approved form and to contain any such information as required by the approved form.

Section 244 of the AML/CTF Act provides that a report under the AML/CTF Act must be signed or authenticated and given to the AUSTRAC CEO in such form and manner as approved.

Under subsection 47(4) failure to provide an AML/CTF compliance report in circumstances where the obligation arises under subsection 47(2) may render a person liable to a civil penalty.

AUSTRAC performs part of its statutory function as administrator of the AML/CTF Act through the compliance report. AML/CTF compliance reports contribute to AUSTRAC's monitoring of ongoing industry compliance with the AML/CTF Act, regulations and Rules. Reporting entities are required to respond to questions relating to sections of the AML/CTF Act that have commenced prior to the end of this reporting period (i.e. 31 December 2007) and that are relevant to their business.

For the purposes of this compliance report a reporting entity is a person that provides a designated service set out in section 6 of the AML/CTF Act.

The AML/CTF compliance report covers key elements of the AML/CTF Act, regulations and the Rules and is structured with questions grouped under section headings.

It is AUSTRAC's strong preference for the AML/CTF compliance report to be completed online.

## Reporting period

The responses you provide should relate to your activities in the period:

**13 December 2006 – 31 December 2007**

## Lodgement period

The lodgement period for this compliance report is:

**1 January 2008 – 31 March 2008**

You are required to submit this report by the **31 March 2008**.

It is AUSTRAC's strong preference for the AML/CTF compliance report to be completed online.

## Definitions

For the purposes of this compliance report:

Terms and expressions used in the compliance report will have the meanings given to them in the AML/CTF Act or Rules unless indicated otherwise.

*You* or *your* refers to the reporting entity.

*Reporting entity* is a person that provides any designated service set out in section 6 of the AML/CTF Act.

*Designated service* relates to the services listed in the AML/CTF Act that determine whether a person has obligations under the Act. The designated services can be seen in Section 6 of the AML/CTF Act.

*Customer* is defined in section 5 of the AML/CTF Act and includes a prospective customer.

## Designated business groups

Subsections 47(6) and 47(7) of the AML/CTF Act allow a member of a *designated business group (DBG)* to lodge group compliance reports. DBG is defined in section 5 of the AML/CTF Act.

## Lodgement by paper

If you are completing this compliance report on paper you will also need to complete the AUSTRAC form *Business Information (including Registration of Providers of Designated Remittance Services)* and submit both together. This form may be obtained by contacting the Help Desk.

## Help

Help is provided for each question in the AML/CTF compliance report. On-line help may be accessed by selecting the *question mark* button for each question or if the report is being completed on paper by looking at the relevant section in the accompanying booklet.

For further information, please contact the AUSTRAC Help Desk on:

Telephone (within Australia):	1300 021 037
Telephone (international):	+61 2 9950 0827
Email:	help_desk@austrac.gov.au

## Correspondent banking

1. How many correspondent bank relationships with financial institutions does the reporting entity maintain (as at the end of the reporting period being 31 December 2007)?

If this response is '0', please proceed to the next section

### Electronic funds transfer instructions.

2. In assessing correspondent bank relationships entered into prior to 12 June 2007 does the reporting entity: (please tick all of the appropriate responses)

- periodically conduct due diligence assessments of these relationships?
- have a process for ensuring that a correspondent bank is neither a shell bank nor maintains a relationship with a shell bank?
- have a process to terminate a correspondent bank relationship with any financial institution that is found to be or to have dealings with a shell bank?

In assessing new correspondent bank relationships entered into since 12 June 2007 does the reporting entity: (please tick all of the appropriate responses)

- conduct due diligence assessments of the relationship?
- have a process for ensuring that a correspondent bank is neither a shell bank nor maintains a relationship with a shell bank?
- have a process to terminate or not enter into a correspondent bank relationship with any financial institution that is found to be or to have dealings with a shell bank?

## Electronic funds transfer instructions

3. Does the reporting entity have provisions to ensure that the *complete payer information* is obtained, where applicable?

Yes  No  Not applicable

If 'No', please provide details.


If this response is 'Not applicable', please proceed to the next section

### Anti-money laundering and counter-terrorism financing programs.

4. From the following list, please tick the type of information that is relevant to the record made of an account holder's electronic funds transfer instruction by the reporting entity:

- name of payer
- if applicable, payer's full business or residential address
- if applicable, payer's unique identification number either given by the Commonwealth or the government of a foreign country (e.g. Australia Business Number, Australian Company Number)
- if applicable, identification number given to payer by the ordering institution
- record kept of electronic fund transfer instruction for seven years after the transaction was completed
- tracing information

From the following list, please tick the type of information that is relevant to the record made of a non-account holder's (e.g. walk-in or occasional customer) electronic funds transfer instruction by the reporting entity:

- collect name of payer
- if applicable, able to collect payer's full business or residential address
- if applicable, payer's unique identification number either given by the Commonwealth or the government of a foreign country (e.g. Australian Business Number, Australian Company Number),
- if applicable, identification number given to payer by the ordering institution
- if applicable and if payer is an individual, their date of birth
- if applicable and if payer is an individual, their place of birth
- record kept of electronic fund transfer instruction for seven years after the transaction was completed
- tracing information

## Anti-money laundering and counter-terrorism financing (AML/CTF) programs

### AML/CTF program – Part A

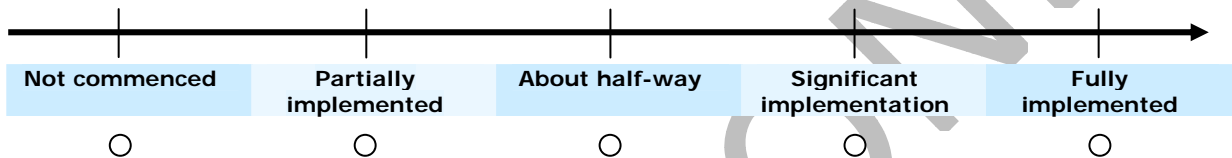
5. Is the reporting entity aware of its obligation under the AML/CTF Act, to have an AML/CTF program?

Yes  No

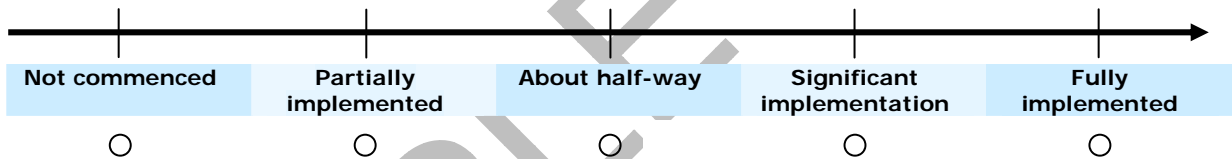
6. How far had the reporting entity progressed in implementing its AML/CTF program by 31 December 2007.

For each of the following components of the AML/CTF program indicate the level of implementation.

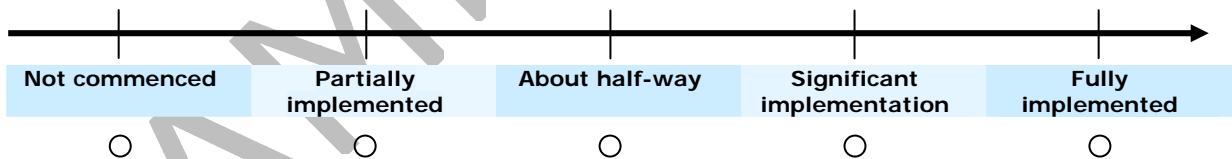
a) AML/CTF risk awareness training for employees



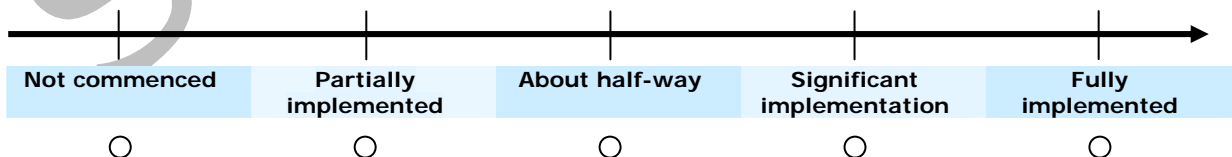
b) Employee due diligence program



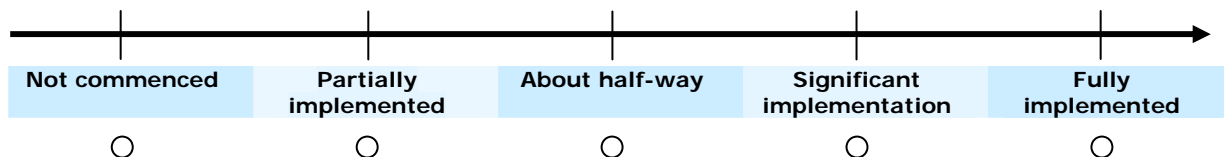
c) Oversight by boards and senior management (or equivalent)



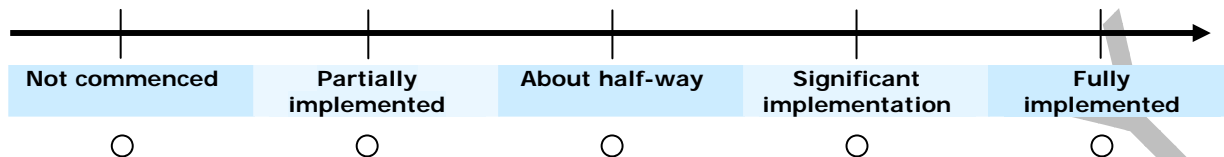
d) AML/CTF compliance officer appointed



e) Independent review policy or procedure



f) AUSTRAC feedback procedure



Further comments relating to the reporting entity's progress in implementing the AML/CTF program may be made here, if desired.


**ML/TF risk assessment**

7. Has the reporting entity assessed the money laundering and terrorism financing (ML/TF) risk posed by the different customer types (including politically exposed persons) to whom it provides a designated service?

	Please tick if the reporting entity has this type of customer.	Has risk been assessed for this type of customer?	
		Yes	No
Individuals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Partnerships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Incorporated and unincorporated associations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Co-operatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government bodies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Politically exposed persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Has the reporting entity undertaken ML/TF risk assessments of its designated services?

Yes  No

9. Has the reporting entity assessed the ML/TF risks posed by the methods in which it delivers designated services to its customers? (This includes new delivery methods before making them available to its customers). Some examples of delivery methods are:

- face-to-face,
- internet, telephone, mail, facsimile, or email,
- via a third party such as an agent, broker or intermediary.

Yes  No

If 'No', how does the reporting entity plan to address this?


10. Does the reporting entity have a procedure to conduct ML/TF risk assessments of any new designated services before making them available to its customers?

Yes  No

If 'No', how does the reporting entity plan to address this?


11. Does the reporting entity have procedures in place to identify and develop a ML/TF risk assessment of all new or developing technologies used for the provision of a designated service before making them available to its customers?

Yes  No

If 'No', how does the reporting entity plan to address this?


12. Does the reporting entity's AML/CTF program include procedures to identify significant changes in business or customer risk for Part A and Part B programs?

Yes  No

Further comments relating to the reporting entity's AML/CTF program procedures may be made here, if desired.


13. If the reporting entity is a member of a designated business group, has the reporting entity adopted a joint AML/CTF program with other members of the designated business group?

Yes  No

**AML/CTF risk awareness training for employees**

In this section and for the purposes of this report, the term *employees* includes agents and people engaged on a permanent, temporary, casual, contract or volunteer basis.

14. Does the reporting entity have (please respond to all questions)

a) general AML/CTF training?

Yes  No

b) training to identify ML/TF risk?

Yes  No

c) training relevant to the work carried out by the employee?

Yes  No

If 'No' to any of the above, please describe how you will make employees aware of things such as obligations under the AML/CTF Act, the consequences of non compliance, the nature and consequences of ML/TF risks and the processes and procedures in the AML/CTF program that are relevant to their role.


15. How often does the reporting entity intend giving refresher training to employees regarding ML/TF risk?

Quarterly
Bi-annually
Annually
Ad-hoc
Do not plan to give regular refresher training
Other

An explanation of answer may be provided, if desired.


16. Do employees who interface with customers or clients have access to reference material such as as standard operating procedures or an existing manual which incorporates AML/CTF material, or an AML/CTF manual or guideline?

Yes  No

## Employee due diligence program

In this section and for the purposes of this report, the term *employee due diligence* means conducting ML/TF risk assessments of employees (the term *employees* includes agents and people engaged on a permanent, temporary, casual, contract or volunteer basis).

**17.** With regard to the reporting entity's AML/CTF employee due diligence program does this (please tick all of the appropriate responses):

- determine whether to screen prospective employees or new employees who maybe in a position to facilitate the commission of a money laundering and/or terrorism financing offence?**
- determine whether to re-screen employees and review job responsibility, for money-laundering and terrorism-financing risk, where the employee is transferred or promoted and may be able to facilitate money laundering and/or terrorism financing?**
- have a documented process for managing employee failure to comply with any system, control or procedure established in accordance with Part A or Part B of your AML/CTF program?**

## AML/CTF compliance officer appointed

**18.** Does the reporting entity have an AML/CTF compliance officer with responsibility for the AML/CTF program?

Yes  No

If this response is 'No', please proceed to the next section:  
**Independent review policy or procedure.**

**19.** With regard to AML/CTF risk matters does this officer:  
(please tick all of the appropriate responses)

- perform other duties?**
- work at management level? (Includes owner / principal)**
- ultimately report to the senior management, or equivalent?**

**Independent review policy or procedure**

**20.** Does the reporting entity have a policy to conduct regular independent reviews of its AML/CTF program by an internal party?

Yes  No

If 'Yes' please advise who conducts the internal review of the AML/CTF program.


**21.** Does the reporting entity have a policy to conduct regular independent reviews of its AML/CTF programs by an external party?

Yes  No

If 'Yes' please advise who conducts the external review of the AML/CTF program.


**22.** If the review recommends changes does the reporting entity have procedures in place to respond to the recommendations within a set period?

Yes, within a fortnight
Yes, within a month
Yes, within the quarter
No procedure
Other

If 'Other' please specify.


**Permanent establishments in a foreign country**

**23.** Does the reporting entity provide designated services through a permanent establishment in a foreign jurisdiction?

Yes  No

If 'Yes', has the reporting entity assessed the ML/TF risk posed by the foreign jurisdiction.

Yes  No

And then if 'No', please indicate why no assessment has been undertaken of the risk posed by the foreign jurisdiction.


## Customer identification procedures – AML/CTF programs Part B

24. Please identify the class of customers you provide designated services to and for each of these kinds of customers, indicate whether you have developed the following: (please select all of the appropriate responses)

	Please tick if you provide services to these customers	AML/CTF risk based systems and controls for the purpose of customer identification procedures?		Procedures to <b>collect the minimum Know Your Customer (KYC)</b> information as specified in the AML/CTF Rules?		Risk based systems and controls to determine if <b>additional KYC information</b> will be <b>collected</b> ?		Procedures to <b>verify the minimum KYC</b> information as specified by the AML/CTF Rules?		AML/CTF risk based systems and controls to determine if <b>additional KYC information</b> about a customer will be <b>verified</b> ?		AML/CTF risk based systems and controls to deal with <b>discrepancies</b> arising in the course of verifying collected KYC information about a customer?	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
All listed kinds of customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Individuals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Partnerships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Co-operatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Incorporated or unincorporated associations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government bodies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agents of customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**25.** Does the reporting entity have any classes of customers deemed to pose a high ML/TF risk?

Yes  No

If 'Yes', please provide details.


**26.** Does the reporting entity have procedures in place to ensure that a designated service is not provided to a customer (except existing customers or customers receiving low-risk services) prior to the applicable customer identification being complete?

Yes  No

**27.** Does the reporting entity outsource any of its customer identification collection or verification procedures to another entity?

Yes  No

If 'Yes', please provide the name or a description of the entity or type of entities.


**28.** If the reporting entity is a member of designated business group, does the reporting entity rely on another member to perform some or all customer identification collection or verification?

Yes  No

# Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment Instrument 2007 (No. 1)

*Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

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## Chapter 11

11.1 These Rules are made under section 229 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (the AML/CTF Act) for subsection 47(1) of the AML/CTF Act. They specify the reporting period and the lodgement period for a compliance report under subsection 47(1) of the AML/CTF Act.

11.2 For paragraph 47(1)(a) of the AML/CTF Act, a reporting period is the period beginning on 13 December 2006 and ending on 31 December 2007.

11.3 For paragraph 47(1)(b) of the AML/CTF Act, the lodgement period for a reporting period is the period of 3 months beginning at the end of the reporting period.

The timing and occurrence of subsequent compliance reports remain at AUSTRAC's discretion and will be set out in AML/CTF Rules.

SAMPLE ONLY