



Australian Government

Australian Transaction Reports and Analysis Centre

Explanatory note for consultation

These AML/CTF Rules exempt reporting entities from providing threshold transaction reports required by section 43 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act), if those threshold transactions take place wholly between:

- (a) one authorised deposit-taking institution (ADI) and another ADI, or
- (b) one Exchange Settlement Account holder and another Exchange Settlement Account holder, or
- (c) the Reserve Bank of Australia and Exchange Settlement Account holders, or
- (d) a cash logistic carrier who provides item 51 (collecting physical currency) or item 53 (delivering physical currency) designated services under table 1 of subsection 6(2) of the AML/CTF Act, where these designated services relate wholly to a transaction between one ADI and another ADI.

The exemptions regarding ADIs and Exchange Settlement Account holders are in effect continuations of exemptions previously in place under the *Financial Transaction Reports Act 1988*.



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Draft Anti-Money Laundering and Counter-Terrorism Financing Rules exempting certain reporting entities from threshold transaction reporting

1. These Anti-Money Laundering and Counter-Terrorism Financing Rules (Rules) are made under section 229 for subsection 44(4) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act).
2. Section 43 of the AML/CTF Act does not apply to a designated service that involves a threshold transaction in circumstances where:
 - (1) the designated service is provided by an ADI to a customer which is an ADI; or
 - (2) the designated service is provided by the Reserve Bank of Australia to a customer which is the holder of an Exchange Settlement Account; or
 - (3) the designated service is provided by the holder of an Exchange Settlement Account to a customer which is the holder of an Exchange Settlement Account; or
 - (4) the designated service is of a kind described in:
 - (a) item 51 of table 1 in subsection 6(2) in the AML/CTF Act; or
 - (b) item 53 of table 1 in subsection 6(2) in the AML/CTF Act;and relates wholly to a transaction between one ADI and another ADI.
3. In these Rules:
 - (1) 'Exchange Settlement Account' means an account held at the Reserve Bank of Australia which is used for the final settlement of obligations between Exchange Settlement Account holders.

Reporting entities should note that in relation to activities they undertake to comply with the AML/CTF Act, they will have obligations under the Privacy Act 1988, including the requirement to comply with the National Privacy Principles, even if they would otherwise be exempt from the Privacy Act. For further information about these obligations, please go to <http://www.privacy.gov.au> or call 1300 363 992.