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Explanatory note for consultation

Subsection 247(3) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) allows exemption from the AML/CTF Act in relation to a designated service that is provided in circumstances specified in the AML/CTF Rules.

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, is a designated service under item 47 of table 1 in subsection 6(2) of the AML/CTF Act.

The purpose of these draft AML/CTF Rules is to exempt providers of traveller accommodation, who provide in-room safes and safe deposit facilities to registered guests, from all provisions of the AML/CTF Act.

These draft AML/CTF Rules take into account that these facilities may be used by a guest prior to check-in and after check-out, so the time period to which they apply extends beyond a guest's period of registration.

Complying with all relevant provisions of the AML/CTF Act, including developing and maintaining an AML/CTF program, is considered an unnecessary financial and administrative burden on these businesses, relative to the money laundering and terrorism financing risk of the services.

The exemption from the AML/CTF Act is limited to businesses which meet the following conditions in all the safe deposit facilities they provide:

- (1) the service is ancillary to the business of providing traveller accommodation; and
- (2) the customer of the service is a registered guest.



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Draft Anti-Money Laundering and Counter-Terrorism Financing Rules relating to safe deposit boxes or similar facilities

1. These Anti-Money Laundering and Counter-Terrorism Financing Rules (Rules) are made under section 229 for subsection 247(3) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act).
2. Subject to paragraph 3, the AML/CTF Act does not apply to a designated service of the kind described in item 47 of table 1 in subsection 6(2) of the AML/CTF Act.
3. The exemption in paragraph 2 applies only if:
 - (1) the designated service is provided in the course of carrying on a business of providing traveller accommodation; and
 - (2) the customer of the designated service is a registered guest at the place of the traveller accommodation; and
 - (3) the designated service is provided through the provision of a safe deposit box or similar facility located either:
 - (a) in the room of the registered guest and controlled by the registered guest; or
 - (b) outside the room of the registered guest but within the place of the traveller accommodation and controlled by the provider of the traveller accommodation.
4. In these Rules:
 - (1) 'registered guest' means an individual who engages sleeping accommodation at the traveller accommodation, the period of which includes, or is within 1 day of, the time at which the designated service is provided; and
 - (2) 'traveller accommodation' means
 - (a) backpacker; or
 - (b) bed and breakfast; or
 - (c) hotel; or
 - (d) motel; or
 - (e) resort; or
 - (f) serviced apartment.

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.