

08 December 2010

Discussion paper – Cost Recovery
Australian Transaction Reports and Analysis Centre
PO Box 13173
Law Courts Post Office
MELBOURNE VIC 8010

**RE: COMMENTS ON COST RECOVERY
FOR AUSTRAC'S REGULATORY FUNCTIONS**

Gentlemen:

1. Our customers are mostly ordinary working individuals. They use our "courier service" to send money to support their families overseas because it is fast, safe, reliable and affordable. The average amount of money sent is \$500.00.
2. The money that they send are usually from their wages and already been taxed. To charge levy on this money will be precluded as double taxation and that is unfair.
3. By charging levy on the business of money remittance or courier company to recover the government's costs on monitoring money laundering is additional burden on our part as business owner for the following reasons:
 - (a) To comply with the requirements imposed by AUSTRAC for gathering information and reporting have increased our workloads. This means additional manpower costs and stress on our margin.
 - (b) By recovering these costs from our customers particularly those who are on limited income would be discouraged from using our service. This will result to loss of customers and therefore loss of business which will adversely affect our margin.
 - (c) By requiring too many information from our customers in compliance with AUSTRAC policy, we are already losing some customers. By charging levy and to increase the fees the customers pay would result to losing more customers. We are afraid that these customers would shift to other ways. They could either send money through their friends going overseas or by post which are more difficult to monitor.
4. We understand that AUSTRAC incurs costs and expenses in its discharge of services in order to keep the security of the state and the country. We also understand that the bulk of the money laundering

through money remittance services are during the initial phase while the rules and policies are being formulated. Once implemented, AUSTRAC will have less work because the job of collecting information and reporting will be done by money couriers/remittance companies. The costs burden now lies on these companies. It is therefore unfair to charge these companies additional costs and they also pay company taxes as well. In fact, these companies are now representing as agents for or partners with the government in tackling money laundering and terrorism.

Presently, our customers are already paying GST at 10% of service fee ranging from \$8.00 to \$16.00. In a nutshell, we therefore recommend that the cost of AUSTRAC should be recovered from the GST instead of charging additional levy.

Very truly yours,

[REDACTED]
ELENA MANGLICMOT
Managing Partner
Seras Enterprises