



Anti-Money Laundering and Counter-Terrorism Financing (Exemption) Instrument 2019 (No. 10)

I, Alexander Meyer, Acting National Manager, Legal and Policy Branch, of the Australian Transaction Reports and Analysis Centre (AUSTRAC), make the following exemption instrument as a delegate of the AUSTRAC CEO.

Dated 23 August 2019

A handwritten signature in black ink, appearing to be 'Alexander Meyer', written in a cursive style.

Alexander Meyer
Acting National Manager, Legal and Policy
AUSTRAC

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1 Commencement

This Instrument commences on the day after it is signed.

2 Authority

This instrument is made under paragraph 248(1)(a) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)*.

3 Definitions

Note: A number of expressions used in this instrument are defined in definitions section of the AML/CTF Act, including the following:

- (a) ADI
- (b) designated service
- (c) physical currency

In this instrument:

Community Housing Provider has the same meaning as defined from time to time in subsection 4(1) of the Appendix Community Housing Providers National Law to the *Community Housing Providers (Adoption of National Law) Act 2012 (NSW)*.

Family Tax Benefit Part A has the same meaning as in the *A New Tax System (Family Assistance) Act 1999 (Cth)*.

HSH means Head Start Homes Limited, ABN 86 620 944 532.

Head Start Guarantee means the guarantee provided by HSH to an ADI.

Health Care Card has the same meaning as in the *Social Security Act 1991 (Cth)*.

LVR means Loan to Value Ratio and is the amount of the loan compared to the value of the property or asset purchased with the loan funds, expressed as a percentage.

Pensioner Concession Card has the same meaning as in the *Social Security Act 1991 (Cth)*.

Public Housing Provider means housing owned and managed by Commonwealth, State, Territory and Local Government agencies or departments in Australia.

specified designated services means the designated services specified in section 4 of this Instrument.

4 Application

This instrument applies to HSH in respect of the provision of designated services described in items 48 or 49 of table 1 in subsection 6(2) of the AML/CTF Act.

5 Scope of exemption

HSH is exempt from the following provisions of the AML/CTF Act where the customer of the specified designated services is:

- (1) The lender:
 - (a) section 47; and
 - (b) Part 7.
- (2) The borrower:
 - (a) section 36;
 - (b) section 47; and
 - (c) Part 7.

6 Conditions

This exemption is subject to the following conditions, as authorised by paragraph 248(2)(b) of the AML/CTF Act:

- (1) The exemption only applies when the specified designated services are provided by HSH in providing the Head Start Guarantee.
- (2) The Head Start Guarantee is limited to the lesser of 20% LVR or \$110,000.
- (3) The lender, as a customer of the specified designated services, must be an ADI regulated by the Australian Prudential Regulation Authority under the *Banking Act 1959* (Cth).
- (4) Prospective borrowers must:
 - (a) be referred to HSH by a:
 - i. Community Housing Provider; or
 - ii. Public Housing Provider; and
 - (b) be eligible for a Health Care Card, Pensioner Concession Card, or Family Tax Benefit Part A.
- (5) HSH must notify the AUSTRAC CEO, in writing, within 14 days of any event that may affect its compliance with this instrument.

7 Cessation

This instrument ceases to have effect two years from the commencement of this instrument.

Important Notice to the person named in this instrument

1. Under subsection 248(3) of the AML/CTF Act, a person granted an exemption subject to one or more conditions must comply with the conditions specified in the instrument. Failure to comply with subsection 248(3) is a civil penalty provision and may result in any or all of the following:
 - the exemption ceasing to apply to the person during any period in which the person does not comply with the relevant condition/s;
 - the exemption being revoked;
 - the AUSTRAC CEO applying to the Federal Court of Australia for a civil penalty order requiring the person to pay a pecuniary penalty in respect of the breach.
2. Under sections 136 and 137 of the AML/CTF Act, it is an offence to provide false or misleading information or documents. If any of the information submitted by the applicant or its representatives is found to be false or misleading, the exemption may be revoked and action initiated against the applicant.
3. The person granted the exemption may request the AUSTRAC CEO to revoke or vary the exemption at any time. Any request to vary this exemption must be submitted to the AUSTRAC CEO or an approved delegate no later than 3 months before the date the change is requested to commence.