

MYTH FACT

MONEY LAUNDERING THROUGH REMITTANCE SERVICE PROVIDERS

MYTH

“ Remittance services are low risk for money laundering. ”

FACT

The risk of money laundering through a remittance service is high. Understanding the risks your business faces will help to reduce those risks.



Remittance service providers must identify their money laundering risks and implement strategies to reduce the risk of money laundering occurring.

MYTH

“ Regular customers known by staff or those from my cultural background or community are unlikely to be money launderers. ”

FACT

Criminals may use the same provider if they think they can take advantage of an established relationship.



To reduce the risk of existing customers laundering money, remittance service providers need to understand their customer transaction patterns, know the source of funds, and if appropriate, question any changes in transaction behaviour.

MYTH

“ People who are well-off or in steady employment are not money launderers. ”

FACT

Money launderers and tax evaders may be high income earners or have steady employment.



Criminals undertaking illegal behaviour can come from a variety of cultural and social backgrounds. Illegal activities can appear legitimate, for example combining illegal funds with legitimate funds in a remittance transaction.

MYTH

“ My customer will get into trouble if I submit an SMR to AUSTRAC. ”

FACT

Submitting an SMR does not mean your customer has committed a crime.



By law, reports you provide are kept confidential by AUSTRAC and our partner agencies.

MYTH

“ If I submit SMRs often, AUSTRAC will think I have a high risk business. ”

FACT

Submitting SMRs shows a remittance service provider has a good understanding of the money laundering, terrorism financing and other serious crime risks of their business.



A remittance service provider must have processes in place to ensure all suspicious activity is reported to AUSTRAC.

MYTH

“ The reports I send to AUSTRAC are not used. ”

FACT

All reports received by AUSTRAC are important as they may contain a vital piece of information.



AUSTRAC and law enforcement agencies piece together information from a range of sources to identify criminal behaviour. Every piece of the puzzle helps to protect our community from serious crime.

MYTH

“ Small value transactions are not suspicious. ”

FACT

Even small amounts can be used to fund serious crimes like terrorism and child exploitation.



Criminals may make multiple smaller transactions to avoid transaction reporting. By structuring payments, criminals can launder large sums of money using frequent smaller transactions.

MYTH

“ I only provide remittance services occasionally, so I do not have to meet all the regulatory requirements. ”

FACT

Anyone providing a remittance service is required to meet their AML/CTF obligations, no matter how many transactions they conduct for customers.



If you do not comply with your obligations you are not only putting your business and community at risk, but you could also be subject to penalties and enforcement actions.