

Expectations of RegTechs

Regulatory technology businesses (RegTechs) can play a significant role in helping the financial services industry meet its anti-money laundering and counter-terrorism financing (AML/CTF) obligations, such as undertaking an ML/TF risk assessment, customer due diligence, transaction monitoring and reporting.

To ensure your solution meets AUSTRAC's expectations, you should:

- ✓ demonstrate an understanding of Australia's AML/CTF framework
- ✓ understand the products and services provided by clients as well as the money laundering and/or terrorism financing risks and operational challenges they face
- ✓ understand the gaps a client may have in meeting their regulatory obligations and potential RegTech solutions
- ✓ be able to clearly explain the solution to your client, including its limitations and the extent to which it supports them to meet their AML/CTF obligations
- ✓ ensure your client understands which AML/CTF obligations the solution addresses
- ✓ ensure your solution, if originally developed for a jurisdiction other than Australia, meets the requirements of Australia's AML/CTF framework
- ✓ ensure your client has the ongoing support to implement the solution
- ✓ keep up to date with relevant AUSTRAC information, industry trends and legislative changes.

You can find more information on the AUSTRAC website at
austrac.gov.au/business/businesses-providing-support-reporting-entities/regtechs