

Guidance for engaging a RegTech

To help your business meet its anti-money laundering and counter-terrorism financing (AML/CTF) obligations, you may choose to engage the services of a regulatory technology business (RegTech).

While AUSTRAC does not recommend or endorse any specific RegTech business or product, we recognise that RegTech solutions can help you manage your compliance obligations. These may include undertaking an ML/TF risk assessment, customer due diligence, transaction monitoring or reporting.

If engaging a RegTech you should consider whether they:

- ✓ demonstrate an understanding of the AML/CTF framework and the obligations that their solution addresses
- ✓ understand your industry, including the types of services you provide, how regulatory obligations affect your business, and your risks and operational challenges
- ✓ can explain how the solution will integrate with your existing systems and procedures, and operate to the expected standard
- ✓ can clearly explain the solution, including the obligations it is designed to meet, its limitations and the extent to which it supports you to meet your AML/CTF obligations
- ✓ have developed their tool for the Australian jurisdiction. If the tool was originally developed for another jurisdiction, it will probably need to be changed to align with Australia's AML/CTF framework
- ✓ offer ongoing support after purchase (such as install and set-up, training, updates) to help you achieve and maintain AML/CTF compliance
- ✓ can provide a demonstration of their tool and/or testimonials from businesses similar to yours.

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