

Suspicious Matter Reports (SMRs)

Fact sheet for remittance service providers

What is a suspicious matter report?

A suspicious matter report, or SMR, is a report you must submit to AUSTRAC anytime you form a suspicion about a customer or transaction.

You must submit an SMR if you have a suspicion that the activity may relate to terrorism financing, money laundering, or any Commonwealth, state or territory law, even if you aren't sure that a crime is being committed.

You must also report suspicious matters to AUSTRAC if you don't end up providing the service or even if you just have an enquiry from a customer that seems suspicious.

Why is it important to report SMRs?

SMRs help AUSTRAC and our partners (including law enforcement agencies) to investigate and prevent serious crimes. Your SMR could be the piece in a puzzle that helps prevent a crime.

Your SMR may include crucial information that could support a current criminal investigation or help identify, prevent or disrupt criminal activity.

By reporting SMRs, you are helping protect your business and community from criminal abuse.

When and how to report SMRs

You must submit an SMR:

- within 24 hours of forming a suspicion related to terrorism financing
- within three days of forming a suspicion related to any other matter.

Getting SMRs right

Getting your SMRs right will save your business time and also ensure AUSTRAC receives vital information our law enforcement and partner agencies can use to disrupt criminal activity. Here are some useful tips to ensure your SMRs provide quality information:

DO

- ✓ State what you think is happening up front. Tell us why you are suspicious in the first paragraph, then provide further details on the parties and activity relating to the suspicion. Be clear and brief.
- ✓ Advise what is unusual in the activity that is being reported on.
- ✓ Add extra information and context. Your suspicion might be to do with the transaction, but suspicions can also relate to behaviours and observations. Include your observations about the customer's behaviour, and appearance if relevant.
- ✓ Include any relevant links between the entities being reported on and other customers. For example family relatives or business partners.
- ✓ Be accurate with spelling, addresses, dates of birth and identification details.
- ✓ While not always apparent, please provide your best guess of the suspected offence committed.

DON'T

- ✗ Include repetitive information about the entities or activity.
- ✗ Provide a lengthy Grounds For Suspicion (GFS). Keep it clear and brief.
- ✗ Attach warrants or notices from law enforcement and government agencies or inappropriate images.
- ✗ Include unnecessary descriptions of businesses that are widely known or easily searched.
- ✗ Include the names or contact details of police officers or staff in the GFS section.

Don't forget

- By law, SMRs you provide are kept confidential by AUSTRAC and our partner agencies. An SMR is not admissible as evidence in court or tribunal hearings.
- Unless it's a matter that requires involvement by law enforcement, you must not tell anyone other than AUSTRAC that you have formed a suspicion about a customer or that you have submitted an SMR. Conversely, if you've reported something to the police, it's likely you also need to report the issue to AUSTRAC.
- You must be discreet when seeking further information from an entity to avoid alerting, or 'tipping off' the entity of your suspicions. Tipping off could make it harder for law enforcement to investigate any criminal activity.
- Review your business processes regularly to ensure they are able to identify any suspicious activity.
- Submitting SMRs will not cause AUSTRAC to view your business unfavourably. Reporting indicates you likely have a robust monitoring system and AML/CTF program.
- Where applicable, include any relevant CCTV images, IP addresses or photos as attachments in your SMR submissions.
- Refer to the AUSTRAC website and your AUSTRAC Online account for additional resources.

