



Anti-Money Laundering and Counter-Terrorism Financing (Exemption—Reserve Bank of Australia and Others) Instrument 2023 (No. 7)

I, Jennifer Ermert, make the following instrument as a delegate of the AUSTRAC CEO.

Dated 3 April 2023

A handwritten signature in black ink, appearing to read 'Jennifer Ermert', written in a cursive style.

Jennifer Ermert
Acting General Counsel, Legal and Enforcement Branch
Australian Transaction Reports and Analysis Centre

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Schedule 1	Error! Bookmark not defined.

1 Name

This instrument is the *Anti-Money Laundering and Counter-Terrorism Financing (Exemption—Reserve Bank of Australia and Others) Instrument 2023 (No. 7)*.

2 Commencement

This instrument commences on the day after it is signed.

3 Cessation

This instrument ceases to have effect on 31 July 2023.

4 Authority

This instrument is:

- (1) made under section 248(1)(a) of the Act; and
- (2) subject to the conditions in section 8 of this instrument, as authorised under section 248(2)(b) of the Act.

5 Definitions

Note: A number of expressions used in this instrument are defined in section 5 of the Act, including the following:

- (a) customer;
- (b) designated service;
- (c) person;

In this instrument:

Act means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

Distributor means Australia and New Zealand Banking Group Limited ACN 005 357 522.

Distributor Agreement means the agreement entered into by RBA and the Distributor in relation to the Pilot and Pilot CBDC.

Digital Finance CRC Limited means Digital Finance CRC Limited ABN 29 652 335 405.

Pilot means the proposed issuance by the RBA of Pilot CBDC in accordance with the terms of each Pilot Document and the Deed Poll entered into by the RBA in relation to the Pilot CBDC.

Pilot CBDC means a unit of the ‘pilot central bank digital currency’ issued by the RBA denominated in AUD, with the smallest value being \$0.01.

Pilot Document means:

- (a) a Platform Participation Agreement; or
- (b) the Distributor Agreement.

Pilot Participant means:

- (a) a Use Case Provider;
- (b) the Distributor; or
- (c) the RBA.

Platform means the private, permissioned (Ethereum-based) electronic ledger system developed by Digital Finance CRC Limited and operated by RBA for the Pilot.

Platform Participation Agreement means an agreement entered into by the RBA and a Use Case Provider in relation to the Pilot and the Pilot CBDC.

RBA means Reserve Bank of Australia.

Use Case means, in relation to a Use Case Provider, the arrangement described in Schedule 2 (*High Level Description of Use Case as supplied by UCP*) of the Platform Participation Agreement entered into by that Use Case Provider.

Use Case Provider means a person listed in Schedule 1 who has entered into a Platform Participation Agreement with the RBA.

6 Application

This instrument applies to a Pilot Participant in relation to the Pilot Participant's provision of designated services set out in table 1 in section 6(2) of the Act subject to the conditions set out in section 8 of this instrument.

7 Exempt provisions

A Pilot Participant is exempt from the following provisions of the Act:

- (1) Parts 2 – 10 inclusive.

8 Conditions

This section specifies conditions that apply to the exemption.

- (1) The designated service is provided solely as part of the Pilot.

Note: This exemption does not apply to the provision of designated services unless the provision of the designated service is distinct from the provision of designated services by a Pilot Participant in the ordinary course of its business.

- (2) The designated service involves:
 - (a) the issuance or redemption of Pilot CBDC;
 - (b) the exchange of Pilot CBDC or an interest in Pilot CBDC for money, property or digital currency between a Pilot Participant and a customer or another Pilot Participant;
 - (c) the exchange of money, property or digital currency for Pilot CBDC or an interest in Pilot CBDC between a Pilot Participant and a customer or another Pilot Participant;

- (d) the custody, storage or transfer of Pilot CBDC, or monetary value in the form of Pilot CBDC, by a Pilot Participant on behalf of a customer or another Pilot Participant, including as collateral for another asset; or
 - (e) the creation, issuance, opening, allowing of transactions in relation to, or increasing of the monetary value stored in connection with, an account or stored value card that stores, holds or gives access to Pilot CBDC or monetary value in the form of Pilot CBDC.
- (3) A Pilot Participant must, in writing, notify the AUSTRAC CEO within 14 days of any event that may affect its ability to comply with this instrument.

Additional condition when the Pilot Participant is operating as a Use Case Provider

- (4) The Use Case Provider carries out its responsibilities and obligations as described in the Platform Participation Agreement it has entered into.

Additional condition when the Pilot Participant is operating as the Distributor

- (5) The Distributor carries out its responsibilities and obligations as described in the Distributor Agreement it has entered into.

Schedule 1
Use Case Providers

Use Case Provider	ABN
AUDC Pty Ltd	69 637 164 722
Australia and New Zealand Banking Group Limited	11 005 357 522
Australian Bond Exchange Pty Ltd	73 605 038 935
Canvas Digital Pty Ltd	77 648 707 706
Commonwealth Bank of Australia	48 123 123 124
Cuscal Limited	95 087 822 455
Digicash Pty Ltd	36 603 182 190
Fame Capital Pty Ltd	38 650 001 808
Imperium Markets Pty Ltd	87 616 579 527
Monoova Global Payments Pty Ltd	77 106 249 852
Property Exchange Australia Limited	92 140 677 792
Unizon Blockchain Technology Pty Ltd	14 614 859 148
Zerocap Pty Ltd	99 164 874 597

Important Notice to the person named in this instrument

1. Under section 248(3) of the 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 section 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. This exemption is specific to, or is based on an assessment of the:
 - information or documents provided by, or on behalf of, the person to AUSTRAC in support of the application made under section 248(1) of the Act; and
 - facts and circumstances relevant to the application, including the nature and type of business activities the person undertakes at the time of the application.
3. Under sections 136 and 137 of the Act, it is an offence to provide false or misleading information or documents to the AUSTRAC CEO. 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.
4. The person granted the exemption may request the AUSTRAC CEO to revoke or vary the exemption at any time.
5. Any request to vary or extend this exemption must be submitted to the AUSTRAC CEO or an approved delegate no later than 90 days before the date the change is requested to commence.
6. This exemption does not preclude the person from making communications or disclosures that are otherwise permitted by law.