Anti-Money Laundering and Counter-Terrorism Financing (Exemption—Certane) Instrument 2025 (No. 9)

I, Daniel Mossop, National Manager, Policy, Rules and Guidance Branch of the Australian Transaction Reports and Analysis Centre (AUSTRAC), make the following exemption as a delegate of the AUSTRAC CEO.

Dated 17 April 2025

National Manager, Policy, Rules and Guidance Branch
AUSTRAC

Contents

1 Name

This instrument is the *Anti-Money Laundering and Counter-Terrorism Financing (Exemption—Certane) Instrument 2025 (No. 9)*.

2 Commencement

This instrument commences on the day after it is signed.

3 Cessation

This instrument ceases to have effect on 30 June 2027.

4 Authority

This instrument is:

(1) made under paragraph 248(1)(a) of the Act; and

(2) subject to conditions as authorised under paragraph 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) company;
(b) designated service.

In this instrument:

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

ASIC Regulatory Guide 49 means ASIC Regulatory Guide 49 published by the Australian Securities and Investments Commission in November 2015 and as amended from time to time.

Certane means Certane CT Pty Ltd (ACN 106 424 088) and Certane SPV Management Pty Ltd (ACN 088 261 349).

Employee Share Scheme means a scheme administered in Australia with the same meaning given by subsection 83A.10(2) of the *Income Tax Assessment Act 1997* (Cth).

Participant means a director, employee or contractor of a company participating in an Employee Share Scheme.

6 Application

This instrument applies to Certane in respect of the provision of the designated services described in item 46 of Table 1 in subsection 6(2) of the Act.

7 Exempt provisions

Certane is exempt from Divisions 2 to 7 of Part 2 (excluding section 39) of the Act with respect to the operation of custodial or depository services for Employee Share Schemes.

8 Conditions

This instrument is subject to the following conditions:

(1) The Employee Share Scheme must:

(a) receive designated services described in item 46 of Table 1 in subsection 6(2) of the Act from Certane;

(b) be offered by either an Australian unlisted company or a company listed on the Australian Securities Exchange;

(c) be one or more of the categories listed in Schedule 1 to this instrument; and

(d) operate in accordance with ASIC Regulatory Guide 49.

(2) For each Employee Share Scheme where the company is an Australian unlisted company, Certane must, prior to providing the designated service, obtain an assurance in writing from the company's board of management that the company has, in relation to each Participant:

(a) collected the following information: the Participant's full name, date of birth, residential address and a government-issued identification number; and

(b) using a government-issued identification document, verified the Participant's full name, government-issued identification number and either the Participant's date of birth or residential address.

(3) Certane must notify the AUSTRAC CEO in writing within 14 days of any event that may affect their compliance with this exemption.

Schedule 1—Categories of Employee Share Schemes

Type of plan	Description	Held on trust or in a custody account	Vesting conditions	Movement of funds
Gift / Exempt	The client will gift the participant securities to the value of $1,000.	Either	Generally 3 years. Will vest earlier if the employee leaves employment.	None
Contribution plan / Matching plan (usually deferred plan)	The client will allow the employee to purchase securities, usually from pre-tax contributions for a deferred plan. The client may offer a matching component. There is usually a cap on employee contributions of between 30-50%, although some clients allow 100% salary deduction.	Either	The contributed component usually vests after 12 months, or earlier if the employee leaves employment. The matching component usually vests after 2 years or more, but will be forfeited if the employee leaves employment. Employees are unable to sell securities received based on contributions until 12 months after the date of contribution, unless the employee leaves employment. There is one client that does allow an employee to access securities earlier, but their contributions are capped at $5,000 and if employees do access within 12 months of purchase then they forfeit their matching component of $5,000.	Contributions are commonly made out of salary in payroll cycles.
Partially paid shares	The employee has a window twice a year to make a call and pay all or part of the balance remaining on the shares. If the employee leaves employment, a call is placed automatically on the balance.	Either	All outstanding entitlements have vested.	Calls are paid directly to the Share Issuer.
Performance rights	Zero priced options that are usually reserved for relatively senior executives	Either	Vesting usually takes place after 3 years or more with stringent performance hurdles determining the	No funds are payable.

	and potentially of high value.		number of rights which may be exercised. Options are forfeited if employee leaves employment earlier.	
Deferred share grants	The client makes grants of shares for nil consideration usually as a long-term incentive to more senior management. The employee has immediate entitlement to dividends.	Trust	Vesting usually takes place after 2 years, with shares being forfeited if the employee leaves employment earlier.	No funds are involved.
Options / ESOP	Less common now due to accounting treatment.	Name on register	Exercise period of at least 2 years. Options generally have performance hurdles and will lapse if the employee leaves employment before the option can be exercised.	Exercise price can be funded through a cashless exercise where the broker sells the shares and remits the proceeds, net of exercise price, to the employee. If the employee pays the funds, then it must do so directly to the Share Issuer. No funds are paid to Certane.
Restricted Plan	The client may issue or cause to be issued shares to eligible employees. These Shares may be subject to restrictions after allocation.	Either	Vesting could be between 1-3 years depending on plan, with a one year restriction after vesting conditions met.	None
Incentive Plan (either Short Term or Long Term)	Purpose: Aligns the interests of employees with investors via share ownership by rewarding shares to Employees. In many cases, the incentive shares are an alternative to cash bonuses to designated employees (especially non-executive directors). They could start off as an option or right.	Either	Vesting could be 1-3 years. Generally have performance hurdles and will lapse if the employee leaves employment before the option can be exercised.	None
Loan Plan	Share ownership by providing an incentive for Employees to acquire shares via loan finance on the share purchase price.	Either	Vesting could be 1-3 years. Generally have performance hurdles and will lapse if the employee leaves	Yes either paid by employee on release of shares or via dividends paid.

	Loan is interest free and repayments are made via dividends received or paid by the employee prior to shares being released.		employment before the option can be exercised.	
Tax Deferred / Salary Sacrifice contributions	This is attractive to employees to gradually increase their ownership stake. Most commonly, the Company will either provide a discount on the market price or rebate brokerage costs to increase engagement. Employees contribute cash via salary sacrifice. Salary Sacrifice is generally capped and may only be allowed over a finite duration.	Either	The employee has absolute entitlement to the shares without any restrictions.	Contributions are commonly made out of salary in payroll cycles.
Phantom Stock plan	Also called a Stock Plan is a type of deferred employee compensation plan where the type of shares issued to plan participants are phantom shares instead of company shares. Phantom shares provide benefits similar to stock ownership but without actually issuing company shares.	Either	The agreement gives the participant the right to cash payments at (1) specified times or (2) specified conditions based on the market value of equivalent shares of the company.	None

Schedule 2—Repeals

Exemption 8 of 2025

1 The whole of the instrument

Repeal the instrument.

Important Notice to the person named in this instrument

1. Under subsection 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 subsection 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. Under sections 136 and 137 of the Act, it is an offence to provide false or misleading information or documents. 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.

3. The person granted the exemption may request the AUSTRAC CEO to revoke or vary the exemption at any time.

4. 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.

5. This exemption does not preclude the person from making communications or disclosures that are otherwise permitted by law.