

EXPOSURE DRAFT



EXPOSURE DRAFT

Anti-Money Laundering and Counter-Terrorism Financing Rules 2025

I, Brendan Thomas, Chief Executive Officer, Australian Transaction Reports and Analysis Centre, make the following rules.

Dated 2025

Brendan Thomas [**DRAFT ONLY—NOT FOR SIGNATURE**]
Chief Executive Officer, Australian Transaction Reports and Analysis Centre

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Part 1—Preliminary

1-1 Name

This instrument is the *Anti-Money Laundering and Counter-Terrorism Financing Rules 2025*.

1-2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	31 March 2026.	31 March 2026

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

1-3 Authority

This instrument is made under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

1-4 Definitions

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

- (a) designated service;
- (b) financial institution;
- (c) nested services relationship;
- (d) reporting entity;
- (e) transfer of value.

In this instrument:

ABN has the meaning given by section 41 of the *A New Tax System (Australian Business Number) Act 1999*.

ACN has the meaning given by section 9 of the *Corporations Act 2001*.

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

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ARBN has the meaning given by section 9 of the *Corporations Act 2001*.

ARSN has the meaning given by section 9 of the *Corporations Act 2001*.

Attorney-General's Department means the Department administered by the Attorney-General.

BECS means the Bulk Electronic Clearing System administered by the Australian Payments Network.

BPAY means the electronic bill payment system known as BPAY.

card-based pull payment: a transfer of value is a **card-based pull payment** if:

- (a) the value transferred is money; and
- (b) the transfer arises from the use of any of the following:
 - (i) a credit card;
 - (ii) a debit card;
 - (iii) a stored value card; and
- (c) the ordering institution issued that card; and
- (d) the beneficiary institution initiates the transfer by sending the payer's instruction for the transfer to the ordering institution; and
- (e) the beneficiary institution pays, or accepts liability to pay, the payee the money; and
- (f) in giving effect to the transfer, the money is transferred from the ordering institution to the beneficiary institution.

co-operative means a body that, under a law of the Commonwealth, a State, a Territory or a foreign country, is registered as a co-operative.

Defence Department means the Department administered by the Minister responsible for administering the *Defence Act 1903*.

DEFT (short for Direct Electronic Funds Transfer) means the electronic bill payment system known as DEFT.

domestic transfer of value: a transfer of value is a **domestic transfer of value** if the value to be transferred is in Australia and, as a result of the transfer, the value will be in Australia.

Note: See section 7-7 for the circumstances in which the value is *in* a country.

Foreign Affairs Department means the Department administered by the Minister responsible for administering the *Diplomatic Privileges and Immunities Act 1967*.

foreign company has the same meaning as in the *Corporations Act 2001*.

Home Affairs Department means the Department administered by the Minister responsible for administering the *Australian Border Force Act 2015*.

independent evaluation report has the meaning given by paragraph 4-7(2)(e).

key personnel of a person means each individual who is any of the following:

- (a) either:
 - (i) for a person who is an individual—the individual; or
 - (ii) otherwise—the individual, or an individual in the group of individuals, with primary responsibility for the governance and executive decisions of the person;
- (b) for a person other than an individual—a beneficial owner of the person;
- (c) an individual who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the person;
- (d) an AML/CTF compliance officer of the person.

Note: For a person who is a reporting entity:

- (a) paragraph (a) covers the reporting entity's governing body (defined in section 5 of the Act); and
- (b) paragraph (c) covers a senior manager (defined in section 5 of the Act) of the reporting entity.

passport means:

- (a) an Australian passport, within the meaning of the *Australian Passports Act 2005*; or
- (b) a passport or a similar document issued for the purpose of international travel that:
 - (i) contains a photograph and the signature of the person in whose name the document is issued; and
 - (ii) is issued by a foreign government, the United Nations or an agency of the United Nations.

payable-through accounts has the meaning given by paragraph 6-1(3)(g).

payee information, in relation to a transfer of value, means all of the following information:

- (a) the payee's full name;
- (b) tracing information in relation to the transfer of value.

payer information, in relation to a transfer of value, means all of the following information:

- (a) the payer's full name;
- (b) tracing information in relation to the transfer of value;
- (c) information that is one or more of the following:
 - (i) a unique customer identification number given to the payer by the ordering institution;
 - (ii) a unique identifier for the payer;
 - (iii) if the payer is an individual—the payer's date and place of birth;
 - (iv) the payer's full business or residential address (not being a post box).

registrable services means:

- (a) in relation to registration or proposed registration of a person under Part 6 of the Act as a remittance network provider—registrable remittance network services; or

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Section 1-4

- (b) in relation to registration or proposed registration of a person under Part 6 of the Act as an independent remittance dealer or a remittance affiliate of a registered remittance network provider—registrable remittance services; or
- (c) in relation to registration or proposed registration of a person under Part 6A of the Act as a virtual asset service provider—registrable virtual asset services.

super-agent has the meaning given by subsection 3-13(2).

tracing information, in relation to a transfer of value, means information that satisfies the following:

- (a) the information:
 - (i) for a transfer from an account held by the payer with the ordering institution—enables the ordering institution to identify the account; or
 - (ii) for a transfer of a virtual asset from a custodial wallet—enables the ordering institution to identify the payer’s virtual asset holdings in the wallet (such as by providing the wallet address, including the destination tag or memo details, if applicable); or
 - (iii) for a transfer of a virtual asset from a self-hosted virtual asset wallet—provides the address of the wallet; or
 - (iv) in any other case—provides a unique transaction reference number for the transfer of value;
- (b) the information:
 - (i) for a transfer in circumstances where the value is to be made available to the payee by depositing it into an account held by the payee—enables the beneficiary institution to identify the account; or
 - (ii) for a transfer of a virtual asset in circumstances where the asset is to be made available to the payee by transferring it to a custodial wallet—enables the beneficiary institution to identify the payer’s virtual asset holdings in the wallet (such as by providing the wallet address, including the destination tag or memo details, if applicable); or
 - (iii) for a transfer of a virtual asset in circumstances where the value is to be made available to the payee by transferring it to a self-hosted virtual asset wallet—provides the address of the wallet; or
 - (iv) in any other case—provides a unique transaction reference number for the transfer of value.

Note: An example of information to which subparagraphs (a)(i) and (b)(i) apply is a combination of a BSB and account number.

ultimate parent of a remitter, virtual asset service provider or financial institution means a body corporate that:

- (a) controls the remitter, virtual asset service provider or financial institution; and
- (b) is not itself controlled by another body corporate.

unique identifier for a person means:

- (a) a unique identifier given to the person by an Australian government body (other than the person's tax file number within the meaning of section 202A of the *Income Tax Assessment Act 1936*); or
- (b) a unique identifier given to the person by a government body of a foreign country (together with information identifying the body); or
- (c) a unique identifier given to the person by an organisation accredited by the Global Legal Entity Identification Foundation (together with information identifying the organisation).

unique transaction reference number, in relation to a transfer of value, means information to which both of the following paragraphs apply:

- (a) the information is a combination of any or all of the following:
 - (i) letters;
 - (ii) digits;
 - (iii) characters;
 - (iv) symbols;
- (b) the information distinguishes the transfer of value in a way that, either alone or in conjunction with any other information in the transfer message for the transfer of value, enables the ordering institution to associate the transfer of value with the payer, and the beneficiary institution to associate the transfer of value with the payee.

1-5 Domestic politically exposed person

For the purposes of paragraph (a) of the definition of **domestic politically exposed person** in section 5 of the Act, the following offices and positions are specified:

- (a) Governor-General;
- (b) Governor of a State;
- (c) Administrator of a Territory;
- (d) Justice of the High Court;
- (e) Judge of the Federal Court of Australia;
- (f) Judge of the Supreme Court of a State or Territory;
- (g) accountable authority, or member of the accountable authority, of a Commonwealth entity within the meaning of the *Public Governance, Performance and Accountability Act 2013*;
- (h) member of the governing body of a wholly-owned Commonwealth company within the meaning of the *Public Governance, Performance and Accountability Act 2013*;
- (i) head (however described) of a Department of State of a State or Territory;
- (j) head (however described), or member, of a local government council in a State or Territory;
- (k) any other office or position, as head (however described), or member of the governing body, of a government body of a State or Territory, if a commission or commissioner of the State or Territory has functions relating to the investigation of corruption or other integrity issues involving staff of the government body;

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- (l) Chief of the Defence Force, Vice Chief of the Defence Force, Chief of Navy, Chief of Army or Chief of Air Force;
- (m) officer of the Navy of the rank of Vice Admiral or a higher rank;
- (n) officer of the Army of the rank of Lieutenant General or a higher rank;
- (o) officer of the Air Force of the rank of Air Marshal or a higher rank;
- (p) any of the following offices of the Commonwealth in a foreign country, or to a public international organisation, to which appointments are made by the Governor-General:
 - (i) Ambassador;
 - (ii) High Commissioner;
 - (iii) Consul-General;
 - (iv) Australian Representative;
 - (v) Special Representative;
 - (vi) Representative;
 - (vii) Permanent Representative;
 - (viii) Chargé d’Affaires;
- (q) member of the governing body of a political party represented in the legislature of the Commonwealth or a State or Territory.

1-6 Enrolment details

For the purposes of the definition of *enrolment details* in section 5 of the Act, enrolment details in relation to a person are the information mentioned in sections 2-2 and 2-3 in relation to the person (as an applicant).

Note: Sections 2-2 and 2-3 set out the information that is required to be contained in an enrolment application regarding the applicant and its designated services.

1-7 Registrable details

For the purposes of the definition of *registrable details* in section 5 of the Act, the following are the *registrable details* in relation to a person registered under Part 6 or 6A of the Act (which deal with the Remittance Sector Register and the Virtual Asset Service Provider Register):

- (a) the full name of the person;
- (b) any other names of the person under which the person provides or will provide its registrable services;
- (c) the person’s ABN, ACN, ARBN and ARSN (as applicable);
- (d) a unique identifier for the person (if any) given by an organisation accredited by the Global Legal Entity Identification Foundation;
- (e) the address of the principal place of business of the person in Australia (if applicable);
- (f) the domain names for all websites through which the person provides or will provide its registrable services.

1-8 Transfer of value—excluded transfers

- (1) For the purposes of paragraph (b) of the definition of *transfer of value* in section 5 of the Act, a transfer covered by subsection (2) or (3) of this section is specified.
- (2) This subsection covers a transfer of a security or derivative that is not a virtual asset.
- (3) This subsection covers a transfer of money if:
 - (a) the transfer occurs in the course of a person performing administrative services for a client of the person that is an employer; and
 - (b) the administrative services relate to:
 - (i) payments, on behalf of the employer, of salary, wages or other benefits to its employees; or
 - (ii) arrangements between the employer and its employees under which employees forgo amounts of salary or wages in return for benefits of a similar cost; or
 - (iii) payments, on behalf of the employer, of superannuation contributions for its employees; and
 - (c) the transfer does not involve the receipt of physical currency from the payer or a person acting on behalf of the payer; and
 - (d) the transfer does not involve making physical currency available to the payee or to a person acting on behalf of the payee.

1-9 Reporting group that is a business group

Lead entity

- (1) For the purposes of subsection 10A(5) of the Act, if the members of a reporting group to which paragraph 10A(1)(a) of the Act applies agree on a member being the lead entity and that member satisfies the following requirements, that member is the lead entity:
 - (a) the member is not controlled by another member of the reporting group that provides designated services;
 - (b) the member has the capacity to determine the outcome of decisions about the AML/CTF policies of the other members of the group;
 - (c) the member is one of the following:
 - (i) a body corporate incorporated in Australia;
 - (ii) a registered foreign company within the meaning of the *Corporations Act 2001*;
 - (iii) a trust that has at least one trustee that is a resident of Australia;
 - (iv) if the member is not a body corporate, foreign company or trust—a resident of Australia.
- (2) If the members do not agree on a lead entity that meets the requirements in subsection (1), the lead entity is the person in the reporting group that:
 - (a) is one of the following:
 - (i) a body corporate incorporated in Australia;

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- (ii) a registered foreign company within the meaning of the *Corporations Act 2001*;
 - (iii) a trust that has at least one trustee that is a resident of Australia;
 - (iv) if the person is not a body corporate, foreign company or trust—a resident of Australia; and
- (b) of the persons in the group who satisfy paragraph (a), controls the largest number of members of the group who provide a designated service.

Note: For the meaning of *control*, see section 11 of the Act.

- (3) If 2 or more persons in the group who satisfy paragraph (2)(a) control an equal number of members of the group who provide a designated service, the lead entity at a time in a financial year is:
- (a) the person who most directly controls such members at that time; or
 - (b) if 2 or more persons have the same degree of control at that time—whichever of those persons has the most employees at the start of the financial year.

Ineligible groups

- (4) For the purposes of paragraph 10A(1)(a)(iii) of the Act, a business group is ineligible to be a reporting group to which paragraph 10A(1)(a) of the Act applies if the person in the group who controls each other person has that control only by reason of the person's capacity as:
- (a) a receiver, or receiver and manager, of the property of a company; or
 - (b) an administrator of a company; or
 - (c) an administrator of a deed of company arrangement executed by a company; or
 - (d) a restructuring practitioner for a company; or
 - (e) a restructuring practitioner for a restructuring plan made by a company; or
 - (f) a liquidator of a company; or
 - (g) a trustee or other person administering a compromise or arrangement made between a company and someone else; or
 - (h) a trustee in bankruptcy.

1-10 Reporting group formed by election

Conditions for group membership

- (1) For the purposes of subparagraph 10A(1)(b)(iv) of the Act, each member of the reporting group must be:
- (a) a reporting entity; or
 - (b) a person who discharges obligations imposed on members of the reporting group by the Act, the regulations or the AML/CTF Rules.

Lead entity

- (2) For the purposes of subsection 10A(5) of the Act, the lead entity of a reporting group to which paragraph 10A(1)(b) of the Act applies is the member of the group that satisfies the following requirements:

- (a) the member is not controlled by another member of the reporting group that provides designated services;
- (b) the other members of the group have agreed to the member having the capacity to determine the outcome of decisions about the AML/CTF policies of the other members;
- (c) the member is one of the following:
 - (i) a body corporate incorporated in Australia;
 - (ii) a registered foreign company within the meaning of the *Corporations Act 2001*;
 - (iii) a trust that has at least one trustee that is a resident of Australia;
 - (iv) if the member is not a body corporate, foreign company or trust—a resident of Australia.

Election to join existing reporting group

- (3) For the purposes of subparagraph 10A(1)(b)(ii) of the Act, a person electing to be a member of reporting group that is already in operation must have obtained the consent of the lead entity of the reporting group.

Note: A person enrolled under Part 3A of the Act (Reporting Entities Roll) is required to advise of changes—see subsection 51F(1) of the Act and section 2-8 of this instrument.

Conditions for leaving group

- (4) For the purposes of subparagraph 10A(1)(b)(vi) of the Act, a member of a reporting group (other than the lead entity) that elects to leave the reporting group must give the lead entity notice in writing.

Note: A person enrolled under Part 3A of the Act (Reporting Entities Roll) is required to advise of changes—see subsection 51F(1) of the Act and section 2-8 of this instrument.

- (5) For the purposes of subparagraph 10A(1)(b)(vi) of the Act, if the lead entity of a reporting group elects to leave the reporting group, the lead entity must give each other member of the group notice in writing.

Note: A person enrolled under Part 3A of the Act (Reporting Entities Roll) is required to advise of changes—see subsection 51F(1) of the Act and section 2-8 of this instrument.

Condition for operation of group

- (6) For the purposes of subparagraph 10A(1)(b)(vi) of the Act:
 - (a) a reporting group must not operate without a lead entity for a continuous period of more than 28 days; and
 - (b) during any such period, each reporting entity that is a member of the reporting group that is a reporting entity must continue to comply with the AML/CTF policies of the most recent lead entity of the group (the ***previous lead entity***) that applied to the member immediately before the previous lead entity ceased to be the lead entity of the group.

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Part 2 Enrolment

Division 1 Application for enrolment

Section 2-1

Part 2—Enrolment

Division 1—Application for enrolment

2-1 Purpose of this Division

For the purposes of paragraph 51E(2)(b) of the Act, this Division sets out the information that must be contained in an application for enrolment as a reporting entity under subsection 51E(1) of the Act.

2-2 Information about applicant's designated services

- (1) The application must contain the following information in relation to each kind of designated services provided or proposed to be provided by the applicant:
 - (a) a description of the designated services;
 - (b) the date the applicant commenced to provide, or proposes to provide, the designated services;
 - (c) whether any of the following circumstances apply:
 - (i) the applicant provides, or proposes to provide, the designated services at or through a permanent establishment of the applicant in Australia;
 - (ii) the applicant is a resident of Australia and the designated services are provided, or proposed to be provided, at or through a permanent establishment of the applicant in a foreign country;
 - (iii) the applicant is a subsidiary of a company that is a resident of Australia and the designated services are provided, or proposed to be provided, at or through a permanent establishment of the applicant in a foreign country;
 - (d) information on the industry in which the applicant provides, or proposes to provide, the designated services.
- (2) If designated services provided, or proposed to be provided, by the applicant are registrable remittance network services, registrable remittance services or registrable virtual asset services, the application must contain information about whether the applicant is, or whether an application has been or will be made for the applicant to be, any of the following:
 - (a) for registrable remittance network services—a registered remittance network provider;
 - (b) for registrable remittance services—a registered independent remittance dealer or a registered remittance affiliate of a registered remittance network provider;
 - (c) for registrable virtual asset services—a registered virtual asset service provider.
- (3) The application must contain information on whether section 233K of the Act:
 - (a) applies to the applicant; or
 - (b) will apply to the applicant if the applicant provides a designated service proposed to be provided by the applicant.

Note: Under section 233K of the Act, certain provisions of the Act do not apply to a reporting entity that provides certain gambling services in circumstances where the entity and any related entity that is a reporting entity are entitled to operate no more than 15 gaming machines under State or Territory licences.

- (4) If all the designated services provided, or proposed to be provided, by the applicant are covered by item 54 of table 1 in section 6 of the Act, the application must contain a statement to that effect.

Note: Item 54 of table 1 in section 6 of the Act covers a holder of an Australian financial services licence who arranges for a person to receive a designated service.

2-3 Information relating to the applicant

General information relating to the applicant

- (1) The application must contain the following information relating to the applicant:
- (a) the applicant's full name, and any registered or other names under which the applicant provides or will provide its designated services;
 - (b) the applicant's ABN, ACN, ARBN and ARSN (as applicable);
 - (c) a unique identifier for the applicant (if any) given by an organisation accredited by the Global Legal Entity Identification Foundation;
 - (d) the address of the applicant's registered office (if applicable);
 - (e) the address of the applicant's principal place of business or operations in Australia;
 - (f) if the applicant is not an individual—information about the legal form of the applicant (such as a partnership, company or trust);
 - (g) the names of any beneficial owners of the applicant;
 - (h) information on the number of employees employed by the applicant;
 - (i) if the applicant is an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*)—whether the applicant was a small business entity (within the meaning of section 328-110 of that Act) for the income year (within the meaning of that Act) corresponding to the previous financial year;
 - (j) information identifying one or more associations of which the applicant is a member (if any) that represent the interests of a particular industry, profession or trade;
 - (k) the applicant's telephone number;
 - (l) the applicant's email address;
 - (m) the domain names for all websites (if any) through which the applicant provides or will provide its designated services;
 - (n) a description of the applicant's business or principal activity;
 - (o) the approximate annual turnover of the applicant for the most recent financial year.

Information for bodies corporate

- (2) If the applicant is a body corporate, the application must contain the following information relating to the body corporate:
- (a) the full name of each director;

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Division 1 Application for enrolment

Section 2-3

- (b) the date of birth of each director;
 - (c) the director identification number (within the meaning of the *Corporations Act 2001*) (if any) of each eligible officer (within the meaning of that Act) of the body corporate;
 - (d) the country in which the body corporate was incorporated and any countries in which it is registered;
 - (e) if the body corporate was incorporated or is registered in any foreign country—the address of the principal place of business of the body corporate in that foreign country.
- (3) If the applicant is a body corporate that has an ultimate holding company (within the meaning of the *Corporations Act 2001*), the application must contain the following information relating to the ultimate holding company:
- (a) the name of the ultimate holding company;
 - (b) the address of the principal place of business and the registered office of the ultimate holding company;
 - (c) the country or countries of which the ultimate holding company is a resident;
 - (d) a unique identifier for the ultimate holding company.

Information for government bodies

- (4) If the applicant is a government body, the application must contain the following information relating to the applicant:
- (a) whether the applicant is an Australian government body;
 - (b) if the applicant is not an Australian government body—the foreign country in which the applicant is established.

Information for partnerships

- (5) If the applicant is a partnership, the application must contain the following information in relation to each partner:
- (a) for a partner that is an individual (other than a trustee):
 - (i) the individual's full name and any former names of the individual; and
 - (ii) the individual's residential address; and
 - (iii) the individual's date and place of birth; and
 - (iv) a unique identifier for the individual given by an Australian government body or a government body of a foreign country;
 - (b) for a partner that is a body corporate (other than a trustee)—the information mentioned in paragraphs (2)(a) to (e), in relation to the partner;
 - (c) for a partner that is an association—the information mentioned in subsection (7) in relation to the association;
 - (d) for a partner that is a trustee of a trust:
 - (i) the name of the trust; and
 - (ii) the information mentioned in paragraphs (6)(a) to (d), in relation to the trust.

Information for trusts

- (6) If the applicant is a trust, the application must contain the following information relating to the trust:
- (a) the kind of trust (such as discretionary trust, bare trust or unit trust);
 - (b) any former names of the trust;
 - (c) for any trustee that is an individual—the information mentioned in subparagraphs (5)(a)(i) to (iv), in relation to the trustee;
 - (d) for any trustee that is a body corporate—the information mentioned in paragraphs (2)(a) to (e), in relation to the trustee.

Information for associations or co-operatives

- (7) If the applicant is an incorporated association, an unincorporated association or a co-operative, the application must contain the information mentioned in subparagraphs (5)(a)(i) to (iv) in relation to the individual, or each member of a group of individuals, with primary responsibility for the governance and executive decisions of the association or co-operative.

Information relating to reporting group

- (8) The application must contain the following information:
- (a) whether the applicant is a member of a reporting group;
 - (b) whether the applicant is the lead entity of a reporting group;
 - (c) if the applicant is a member of a reporting group and is not the lead entity of the reporting group—the following information about the lead entity:
 - (i) the name of the lead entity;
 - (ii) the identifier assigned to the lead entity by AUSTRAC;
 - (iii) another unique identifier for the lead entity.

2-4 Information about the person completing the application and declaration

Information about the individual completing the enrolment application

- (1) The application must contain the following information relating to the individual completing the application:
- (a) the individual's full name;
 - (b) the individual's job title or position;
 - (c) information on the individual's role or relationship in relation to the applicant;
 - (d) the individual's telephone number;
 - (e) the individual's email address.

Declaration by the individual completing the application

- (2) The application must contain a declaration by the individual completing the application that the information contained in the application is true and correct.

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Part 2 Enrolment

Division 2 Correction and removal of enrolment details

Section 2-5

Division 2—Correction and removal of enrolment details

2-5 Correction of entries in the Reporting Entities Roll

For the purposes of paragraph 51C(4)(a) of the Act, if the AUSTRAC CEO reasonably believes that there is an error in, or an omission from, an entry in the Reporting Entities Roll, the AUSTRAC CEO may correct the error or omission.

2-6 Removal of name and enrolment details on AUSTRAC CEO's own initiative

For the purposes of paragraph 51C(4)(b) of the Act, the AUSTRAC CEO may remove a person's name and enrolment details from the Reporting Entities Roll on the AUSTRAC CEO's own initiative if the AUSTRAC CEO reasonably believes that the person has ceased to provide designated services.

2-7 Request to remove entry from Reporting Entities Roll—required information

For the purposes of paragraph 51G(2)(b) of the Act, a request by a person under subsection 51G(1) of the Act to remove the person's name and enrolment details from the Reporting Entities Roll must contain the following information:

- (a) the person's full name;
- (b) whether the person has ceased to provide designated services, and if so, the date on which the person ceased to provide designated services;
- (c) whether the person intends to provide a designated service in the next financial year to begin after the request is given;
- (d) whether the person has any outstanding obligations to provide a report under any of the following provisions of the Act, and if so, information on the outstanding obligations:
 - (i) section 41 (reports of suspicious matters);
 - (ii) section 43 (reports of threshold transactions);
 - (iii) section 46 (reports of international value transfer services);
 - (iv) section 46A (reports of transfers of value involving unverified self-hosted virtual asset wallets);
 - (v) section 47 (AML/CTF compliance reports).

Division 3—Changes in enrolment details

2-8 Changes in enrolment details to be advised

For the purposes of subsection 51F(1) of the Act, a change in a person's enrolment details that are information mentioned in section 2-2 or 2-3 is specified.

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Part 3 Registration

Division 1 Management of the Remittance Sector Register and the Virtual Asset Service Provider Register

Section 3-1

Part 3—Registration

Division 1—Management of the Remittance Sector Register and the Virtual Asset Service Provider Register

3-1 Correction of entries

- (1) This section is made for the purposes of paragraphs 75(4)(a) and 76B(4)(b) of the Act.
- (2) If the AUSTRAC CEO reasonably believes that there is an error in, or omission from, an entry in the Remittance Sector Register or the Virtual Asset Service Provider Register, the AUSTRAC CEO may correct the error or omission.
- (3) As soon as reasonably practicable after making a correction of an entry under this section, the AUSTRAC CEO must give notice of the correction to:
 - (a) the person whose registration the entry relates to; and
 - (b) if the registration is of a person as a remittance affiliate of a registered remittance network provider—the provider.

3-2 Publication of register information

For the purposes of subsections 75(4) and 76B(4) of the Act, the AUSTRAC CEO must publish the following on AUSTRAC's website:

- (a) the details mentioned in paragraphs 75A(1)(a), (b), (c), (d) and (f) of the Act on the Remittance Sector Register;
- (b) the details mentioned in paragraphs 76C(a), (b) and (d) of the Act on the Virtual Asset Service Provider Register;
- (c) information mentioned in section 3-22 of this instrument (register entry in relation to suspension of registration) on the Remittance Sector Register and the Virtual Asset Service Provider Register.

Division 2—Information requirements for registration applications

3-3 Purpose of this Division

For the purposes of paragraphs 75B(3)(b) and 76D(2)(b) of the Act, this Division sets out the information that must be contained in the following:

- (a) an application by a person under subsection 75B(1) of the Act for registration as a remittance network provider, independent remittance dealer or a remittance affiliate of a registered remittance network provider;
- (b) an application by a registered remittance network provider under subsection 75B(2) of the Act for another person to be registered as a remittance affiliate of the registered remittance network provider;
- (c) an application by a person under subsection 76D(1) of the Act for registration as a virtual asset service provider.

3-4 Application—general information

- (1) The application must contain the following information relating to the person (the ***candidate***) proposed to be registered:
 - (a) the candidate's full name;
 - (b) any other names under which the candidate will provide its registrable services;
 - (c) the candidate's ABN, ACN, ARBN and ARSN (as applicable);
 - (d) a unique identifier for the candidate (if any) given by an organisation accredited by the Global Legal Entity Identification Foundation;
 - (e) if the candidate is registered in, or holds a licence issued in, a foreign country to provide services that are of the same kind as registrable services (whether or not there is a connection to Australia or a resident of Australia)—details of that registration or licence;
 - (f) the address of the principal place of business or operations of the candidate in Australia (if applicable);
 - (g) the address of the candidate's registered office (if applicable);
 - (h) the addresses of any other places at or from which the candidate proposes to provide its registrable services;
 - (i) information about the legal form of the candidate (such as an individual or a partnership, company or trust);
 - (j) in relation to any beneficial owners of the candidate:
 - (i) the individual's full name and any former names of the individual; and
 - (ii) the individual's residential address; and
 - (iii) the individual's date and place of birth; and
 - (iv) a unique identifier for the individual given by an Australian government body or the government of a foreign country;
 - (k) the candidate's telephone number;
 - (l) the candidate's email address;
 - (m) the domain names for any website through which the candidate will provide its registrable services;
 - (n) a description of the candidate's business or principal activity;
 - (o) whether there are any permanent establishments of the candidate in Australia, and if so, information on those permanent establishments;
 - (p) information on the expected turnover of the candidate in respect of the provision of its registrable services for the period of 12 months following registration;
 - (q) if the provision of the candidate's designated services will involve dealing with customers or other persons located in foreign countries—information identifying those foreign countries.

Information relating to completion of the application and declaration

- (2) The application must contain the following information about the individual completing the application:
 - (a) the individual's full name;

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Division 2 Information requirements for registration applications

Section 3-4

- (b) the individual's job title or position;
 - (c) information on the individual's role or relationship in relation to the candidate;
 - (e) the individual's date of birth;
 - (f) the individual's telephone number;
 - (g) the individual's email address;
 - (h) the individual's postal address.
- (3) The application must contain a declaration by the individual completing the application that the information contained in the application is true and correct.

Information relating to the candidate—body corporate

- (4) If the candidate is a body corporate, the application must contain the following information relating to the body corporate:
- (a) the full name of each director;
 - (b) the date of birth of each director;
 - (c) the director identification number (within the meaning of the *Corporations Act 2001*) (if any) of each eligible officer (within the meaning of that Act) of the body corporate;
 - (d) the country in which the body corporate was incorporated and any countries in which it is registered;
 - (e) if the body corporate was incorporated or is registered in any foreign country—the address of the principal place of business of the body corporate in that foreign country.

Information relating to the candidate—partnership

- (5) If the candidate is a partnership, the application must contain information setting out the terms of the partnership agreement (if any), and the following information relating to each partner:
- (a) for a partner that is an individual (other than a trustee):
 - (i) the individual's full name and any former names of the individual; and
 - (ii) the individual's residential address and most recent former residential address; and
 - (iii) the individual's date and place of birth; and
 - (iv) a unique identifier for the individual;
 - (b) for a partner that is a body corporate (other than a trustee)—the information mentioned in paragraphs (4)(a) to (e), in relation to the partner;
 - (c) for a partner that is an association—the information mentioned in subsection (7) in relation to the association;
 - (d) for a partner that is a trustee of a trust:
 - (i) the name of the trust; and
 - (ii) the information mentioned in paragraph (6)(a) to (d), in relation to the trust.

Information for trusts

- (6) If the candidate is a trust, the application must contain the following information relating to the trust:
- (a) the kind of trust (such as discretionary trust, bare trust or unit trust);
 - (b) any former names of the trust;
 - (c) for any trustee, beneficiary, settlor, appointer, guardian or protector of the trust that is an individual—the information mentioned in subparagraphs (5)(a)(i) to (iv), in relation to the person;
 - (d) for any such person that is a body corporate—the information mentioned in paragraphs (4)(a) to (e), in relation to the person.

Information for associations or co-operatives

- (7) If the candidate is an incorporated association, an unincorporated association or a co-operative, the application must contain the information mentioned in subparagraphs (5)(a)(i) to (iv) in relation to the individual, or each member of a group of individuals, with primary responsibility for the governance and executive decisions of the association or co-operative.

3-5 Information relating to ML/TF risks

The application must contain the following information:

- (a) information identifying the key risks of money laundering, financing of terrorism and proliferation financing that the candidate has assessed it may reasonably face in providing its registrable services;
- (b) information on the risks of money laundering, financing of terrorism and proliferation financing associated with the following:
 - (i) the kinds of customers to whom the candidate will provide its registrable services;
 - (ii) any foreign countries in which the candidate will operate in providing its registrable services;
 - (iii) the products and services the candidate will provide in relation to its registrable services;
 - (iv) the delivery channels by which the candidate's registrable services will be provided;
 - (v) the kinds of transactions the candidate will undertake in providing its registrable services;
- (c) information on the candidate's process for reviewing and updating its ML/TF risk assessment (see section 26D of the Act).

3-6 Information relating to AML/CTF policies

- (1) The application must contain information setting out the AML/CTF policies that the candidate has in relation to the following matters:
- (a) appropriately managing and mitigating the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its registrable services;

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- (b) ensuring the candidate complies with the obligations imposed by the Act, the regulations and the AML/CTF Rules on the candidate;
 - (c) undertaking due diligence in relation to persons who are, or will be, employed or otherwise engaged by the reporting entity and who perform, or will perform, functions relevant to the candidate's obligations under the Act;
 - (d) providing training to persons who are employed or otherwise engaged by the candidate and who perform, or will perform, functions relevant to the candidate's obligations under the Act in relation to:
 - (i) the risk of money laundering, financing of terrorism and proliferation financing that the candidate may reasonably face in providing its designated services; and
 - (ii) the obligations imposed by the Act, the regulations and the AML/CTF Rules on the candidate;
 - (e) reviewing and updating the AML/CTF policies; and
 - (f) carrying out customer due diligence in accordance with Part 2 of the Act, including:
 - (i) complying with obligations under that Part in relation to politically exposed persons; and
 - (ii) any use of distributed ledger technology for the purposes of carrying out that due diligence.
- (2) The application must include the full name and business address of any training provider used to deliver training mentioned in paragraph (1)(d) within the period of 12 months before the application is made.

3-7 Information relating to accounts with financial institutions

The application must contain the following information in relation to each account with a financial institution that the candidate will use in providing its registrable services:

- (a) the full name and date of birth of each individual who is holder or other signatory to the account;
- (b) the country within which the account is held;
- (c) information on the foreign currencies that can be held in the account.

3-8 Information relating to other persons assisting

The application must contain the following information:

- (a) whether the candidate has entered or will enter into an agreement or arrangement for another person to perform, or assist with the performance of, functions relevant to the candidate's obligations under the Act, and if so, information on those functions;
- (b) whether any of those functions would be performed or assisted with by that person in any foreign countries, and if so, which foreign countries;
- (c) information on what quality controls the candidate will use regarding the other person's performance of, or assistance with, those functions.

3-9 Information relating to key personnel and past unlawful activity etc.

- (1) The application must contain the following information regarding each of the candidate's key personnel:
 - (a) the individual's full name;
 - (b) the individual's date of birth;
 - (c) the individual's job title or position;
 - (d) the individual's telephone number;
 - (e) the individual's email address;
 - (f) the individual's residential address.
- (2) The application must contain the following information:
 - (a) whether the candidate or any of its key personnel has been charged or convicted of an offence against the Act, or of an offence against a law of the Commonwealth, a State or Territory or a foreign country of any of the following kinds:
 - (i) money laundering;
 - (ii) financing of terrorism;
 - (iii) proliferation financing;
 - (iv) fraud (including scams);
 - (v) a serious offence of any other kind;
 - (b) whether the person or any of its key personnel has been found by the Federal Court to have contravened the Act;
 - (c) whether the candidate or any of its key personnel has been the subject of civil or criminal proceedings, or any enforcement action that:
 - (i) related to the management of an entity or commercial or professional activity; and
 - (ii) was resolved adversely to the candidate or key personnel, including by the candidate or key personnel consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct;
 - (d) what steps the candidate has taken to establish the matters mentioned in paragraphs (a) to (c) in relation to its key personnel;
 - (e) if any of the circumstances mentioned in paragraphs (a) to (c) exist—details of each of the circumstances;
 - (f) whether any of the candidate's key personnel has ever applied, or has been a beneficial owner of a person (other than an individual) that has applied for registration under Part 6 or 6A of the Act (which deal with the Remittance Sector Register and the Virtual Asset Service Provider Register), and if so, information on that registration;
 - (g) whether any of the candidate's key personnel is, has applied to be, or is intending to apply for registration, licensing or approval (however described) in any country to conduct regulated activity in the financial sector, and if so, details of the country and the kind of regulated activity the key personnel is involved in;
 - (h) details of any training the candidate's key personnel have received within the period of 12 months before the application is made in relation to

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providing registrable services, including the full name and business address of any training provider used to deliver the training.

3-10 Additional requirements for application by remittance network provider for registration of an affiliate

If the application is by a registered remittance network provider for the candidate to be registered as a remittance affiliate of the registered remittance network provider, the application must contain the following information:

- (a) whether the provider has assessed the suitability of the candidate to be a remittance affiliate of the provider, taking into account the related risks of money laundering, financing of terrorism and proliferation financing that the provider may reasonably face;
- (b) if such an assessment has been made—whether the candidate was found to be suitable;
- (c) whether the candidate has consented to the making of the application and if so, information on when the consent was given.

3-11 Additional requirements for application by independent remittance dealer for registration as a remittance affiliate

If the application is under paragraph 75A(1)(c) of the Act, for registration as a remittance affiliate of a registered remittance network provider, the application must contain information on whether the registered remittance network provider has consented to the making of the application and if so, when the consent was given.

3-12 Additional requirements for application for registration as an independent remittance dealer or a remittance affiliate of network provider

If the application is for the candidate to be registered as an independent remittance dealer, or as a remittance affiliate of a registered remittance network provider, the application must contain the following information:

- (a) information on whether offsetting arrangements or third party remittance arrangements will be involved in the provision of the candidate's registrable services;
- (b) details of the delivery channels by which the candidate's registrable services will be provided;
- (c) information on the ways the candidate's customers will, for transfers of value to which its registrable services relate, be able to make value available for transfer or receive value transferred;
- (d) information on the expected average number of designated services covered by each of items 29 and 30 of table 1 in section 6 of the Act that are registrable services the candidate would provide each month over the first 12 months following registration;
- (e) information on the expected average total monetary value of the money, virtual assets and property that, in relation to designated services covered by each of items 29 and 30 of table 1 in section 6 of the Act that are

registrable services it would provide, would be transferred per month over the first 12 months following registration;

- (f) whether any of the candidate's key personnel have ever been a beneficial owner of, or operated or been involved in the management of, a person (the ***other provider***) who provides, or has provided, services of the same kind as the registrable services (whether or not there is a connection to Australia or a resident of Australia), and if so:
 - (i) the full name of the other provider; and
 - (ii) the key personnel's role in or relationship with the other provider; and
 - (iii) the period for which the key personnel was a beneficial owner of, or operated or was involved in the management of, the other provider.

3-13 Additional requirements for application for registration as a remittance affiliate of network provider

- (1) If the application is for the candidate to be registered as a remittance affiliate of a registered remittance network provider, the application must contain the following information:
 - (a) whether the candidate is to be represented by a super-agent in its dealings with the network provider;
 - (b) whether the candidate intends for a senior manager of the candidate to approve the registered remittance network provider's ML/TF risk assessment and AML/CTF policies as mentioned in subsection 26S(4) of the Act.
- (2) A ***super-agent*** is a person who, in the course of carrying on a business:
 - (a) provides administrative services to a registered remittance network provider to assist with the control or management of the remittance network operated by the provider; and
 - (b) as part of providing those services, represents the interests of remittance affiliates of the provider in their dealings with the provider.

3-14 Additional requirements for application for registration as a virtual asset service provider

If the application is under subsection 76D(1) of the Act, for registration as a virtual asset service provider, the application must contain the following information:

- (a) information on the kind of virtual assets in relation to which the candidate will provide its registrable services;
- (b) details of the delivery channels by which the registrable services are intended to be provided;
- (c) information on the methods by which customers' virtual assets or money may be used in any exchanges relating to the registrable services;
- (d) whether the candidate will implement any transaction or time limits on the amounts of virtual assets or money that customers can use in any exchanges relating to the registrable services, and if so, details of what limits will apply;

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- (e) information on:
 - (i) the expected average number of designated services covered by each of items 29, 30, 46A, 50A, 50B and 50C of table 1 in section 6 of the Act that are registrable services the candidate would provide per month over the first 12 months following registration; and
 - (ii) the expected average total monetary value of customers' money, virtual assets and property with which the candidate would deal, in relation to designated services covered by each of items 29, 30, 46A, 50A, 50B and 50C of table 1 in section 6 of the Act that are registrable services, per month over the first 12 months following registration;
- (f) for each virtual asset wallet controlled by the candidate:
 - (i) the kinds of virtual assets the wallet can store; and
 - (ii) the address of the wallet.

Division 3—Registration decisions

3-15 Registration decisions—matters to which AUSTRAC CEO must have regard

For the purposes of paragraphs 75C(2)(b) and 76E(2)(b) of the Act, in deciding whether to register a person (the *candidate*) in accordance with an application made under section 75B or 76D of the Act, the other matters to which the AUSTRAC CEO must have regard are as follows:

- (a) any offences of which the candidate, or any key personnel of the candidate, has been charged or convicted under the law of the Commonwealth, a State or Territory or a foreign country;
- (b) compliance or non-compliance by the following with the Act or any other law of the Commonwealth, a State or Territory or a foreign country:
 - (i) the candidate;
 - (ii) if the candidate is not an individual—any beneficial owners of the candidate;
 - (iii) if the candidate is a body corporate—any related body corporate (within the meaning of the *Corporations Act 2001*);
 - (iv) if the registration would be as a remittance affiliate of a registered network provider—the registered network provider;
- (c) for an application made under subsection 75B(2) by a registered remittance network provider for the candidate to be registered as a remittance affiliate of the registered remittance network provider—whether the consent of the candidate has been obtained;
- (d) whether the candidate and its key personnel have sufficient experience in functions relevant to the candidate’s obligations under the Act, and functions relevant to providing registrable services;
- (e) the operational readiness of the candidate in relation to the proposed registration, including its ability to comply with the Act, the regulations and the AML/CTF Rules following registration;
- (f) the proposed resourcing (including personnel resourcing) of the candidate in relation to the provision of its registrable services.

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Division 4 Suspension of registration

Section 3-16

Division 4—Suspension of registration

3-16 Purpose of this Division

This Division is made for the purposes of sections 75H and 76K of the Act.

3-17 Suspension of registration

The AUSTRAC CEO may suspend a person's registration under Part 6 or 6A of the Act if the AUSTRAC CEO reasonably suspects that:

- (a) the person or any of its key personnel has been charged or convicted of an offence against the Act, or of an offence against a law of the Commonwealth, a State or Territory or a foreign country of any of the following kinds:
 - (i) money laundering;
 - (ii) terrorism or financing of terrorism;
 - (iii) people smuggling;
 - (iv) fraud (including scams);
 - (v) a serious offence of any other kind; or
- (b) the person or any of its key personnel has been found by the Federal Court to have contravened the Act; or
- (c) the person or any of its key personnel has been the subject of civil or criminal proceedings, or any enforcement action that:
 - (i) related to the management of an entity or commercial or professional activity; and
 - (ii) was resolved adversely to the person or key personnel, including by the person or key personnel consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct; or
- (d) the continued registration of the person involves, or may involve, a significant money laundering, financing of terrorism or other serious crime risk; or
- (e) the person has breached a condition of the person's registration; or
- (f) the person does not have the operational capability necessary to comply with the obligations imposed by the Act, the regulations and the AML/CTF Rules on the person; or
- (g) the person or the person's key personnel no longer have sufficient experience in functions relevant to the person's obligations under the Act, or functions relevant to providing registrable services; or
- (h) any information given by the person, or if the registration is as a remittance affiliate of a registered network provider, the provider, for the purposes of Part 6 or 6A of the Act in connection with that registration:
 - (i) is false or misleading in a material particular; or
 - (ii) omits any matter or thing without which the information is misleading in a material particular.

3-18 Effect of suspension—renewal and advising of certain matters

While a person's registration under Part 6 or 6A of the Act is suspended, the person is taken to be registered for the purposes of the following despite that suspension:

- (a) Division 6 of this Part (which deals with renewal of registration);
- (b) sections 75M and 76P of the Act (which deal with advising of material changes in circumstance etc.), as applicable.

3-19 Period of suspension

- (1) A suspension of a registration under Part 6 or 6A of the Act by the AUSTRAC CEO has effect for a period of up to 3 months determined by the AUSTRAC CEO.
- (2) The AUSTRAC CEO may extend the period of the suspension by a further period of up to 3 months if the AUSTRAC CEO is satisfied it is appropriate to do so, having regard to whether the AUSTRAC CEO continues to reasonably suspect a matter mentioned in section 3-17.
- (3) The AUSTRAC CEO must not extend the period of a suspension under subsection (2) more than once.

3-20 Notice of suspension decision

- (1) If the AUSTRAC CEO decides to suspend a person's registration under Part 6 or 6A of the Act, the AUSTRAC CEO must, as soon as practicable after the decision is made, give a written notice of the suspension to:
 - (a) the person; and
 - (b) if the suspension is of the registration of a registered remittance network provider—each remittance affiliate of that provider; and
 - (c) if the suspension is of the registration of a remittance affiliate of a registered remittance network provider—the provider.
- (2) The notice must contain:
 - (a) information setting out the effect of the suspension; and
 - (b) the date the suspension takes effect; and
 - (c) the date the suspension ceases; and
 - (d) information on the power of the AUSTRAC CEO to extend the period of the suspension.

3-21 Notice of extension of suspension

- (1) If the AUSTRAC CEO extends the period of the suspension of a person's registration under subsection 3-19(2), the AUSTRAC CEO must, as soon as practicable after the suspension is extended, give a written notice of the extension to:
 - (a) the person; and
 - (b) if the suspension is of the registration of a registered remittance network provider—each remittance affiliate of that provider; and

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- (c) if the suspension is of the registration of a remittance affiliate of a registered remittance network provider—the provider.
- (2) The notice must contain:
 - (a) information setting out the effect of the extension; and
 - (b) the date the suspension, as extended, ceases.

3-22 Register entry in relation to suspension of registration

- (1) If the AUSTRAC CEO suspends the registration of a person under Part 6 or 6A of the Act, the AUSTRAC CEO must enter on the Remittance Sector Register or the Virtual Asset Service Provider Register, respectively, information identifying that the person's registration is suspended.
- (2) The AUSTRAC CEO must remove that information from the Remittance Sector Register or the Virtual Asset Service Provider Register as soon as practicable after the period of the suspension ends.

Division 5—Cancellation of registration

3-23 Cancellation of registration

For the purposes of paragraphs 75G(1)(c) and 76J(1)(c) of the Act, the other matters to which the AUSTRAC CEO is to have regard in relation to the cancellation of the registration of a person are as follows:

- (a) whether the person or any of its key personnel has been charged or convicted of an offence against the Act, or of an offence against a law of the Commonwealth, a State or Territory or a foreign country of any of the following kinds:
 - (i) money laundering;
 - (ii) terrorism or financing of terrorism;
 - (iii) people smuggling;
 - (iv) fraud (including scams);
 - (v) a serious offence of any other kind;
- (b) whether the person or any of its key personnel has been found by the Federal Court to have contravened the Act;
- (c) whether the person or any of its key personnel has been the subject of civil or criminal proceedings, or any enforcement action that:
 - (i) related to the management of an entity or commercial or professional activity; and
 - (ii) was resolved adversely to the person or key personnel, including by the person or key personnel consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct;
- (d) whether the person continues to have the operational capability necessary to comply with the obligations imposed on the person by the Act, the regulations and the AML/CTF Rules;
- (e) whether the person and the person's key personnel continue to have sufficient experience in functions relevant to the person's obligations under the Act, or functions relevant to providing registrable services;
- (f) whether any information given by the person, or if the registration is as a remittance affiliate of a registered network provider, the provider, for the purposes of Part 6 or 6A of the Act in connection with that registration:
 - (i) is false or misleading in a material particular; or
 - (ii) omits any matter or thing without which the information is misleading in a material particular.

3-24 Publication of cancellation information

For the purposes of subsections 75G(3) and 76J(4) of the Act, the manner of publishing the list of names and dates mentioned in those subsections is on AUSTRAC's website.

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Part 3 Registration

Division 6 Renewal of registration

Section 3-25

Division 6—Renewal of registration

3-25 Purpose of this Division

This Division is made for the purposes of sections 75J and 76L of the Act.

3-26 Application for renewal of registration

- (1) A person registered under Part 6 or 6A of the Act as any of the following may apply in writing to the AUSTRAC CEO for renewal of that registration:
 - (a) a remittance network provider;
 - (b) an independent remittance dealer;
 - (c) a remittance affiliate of a registered remittance network provider that applied for registration on its own behalf (see paragraph 75B(1)(c) of the Act);
 - (d) a virtual asset service provider.
- (2) A remittance network provider that applied for registration of a person as a remittance affiliate of the provider under Part 6 of the Act may apply in writing to the AUSTRAC CEO for renewal of that registration.
- (3) An application under this section:
 - (a) must be in the approved form; and
 - (b) must contain the information required by the approved form, which may include information regarding whether section 75M or 76P of the Act (as applicable) has been complied with in relation to the registration.

3-27 Period within which renewal applications may be made

An application for renewal of a person's registration under Part 6 or 6A of the Act may be made within the period of 90 days ending on the day on which the registration would otherwise cease under paragraph 75F(1)(c) or 76H(1)(c) of the Act.

3-28 Determining renewal application

If an application for renewal of a person's registration is made in accordance with sections 3-26 and 3-27 of this instrument, the AUSTRAC CEO must decide to renew the registration if the AUSTRAC CEO is satisfied that it is appropriate to do so, having regard to:

- (a) whether the renewed registration of the person would involve a significant money laundering, financing of terrorism or other serious crime risk; and
- (b) whether section 75M or 76P of the Act (as applicable) has been complied with in relation to the registration, and whether the person's enrolment details and registrable details, as advised to the AUSTRAC CEO are correct and up-to-date; and
- (c) whether the AUSTRAC CEO reasonably suspects that any information contained in the application:
 - (i) is false or misleading in a material particular; or

- (ii) omits any matter or thing without which the information is misleading in a material particular; and
- (d) whether the registered person continues to have the operational capability necessary to comply with the Act, the regulations and the AML/CTF Rules.

3-29 Period for which renewed registrations have effect

A renewed registration under Part 6 or 6A of the Act has effect for a period of 3 years.

3-30 Decision on renewal application is a reviewable decision

A decision of the AUSTRAC CEO under section 3-28 of this instrument not to renew a person's registration is a reviewable decision.

3-31 Continuation of registration pending decision on renewal application

- (1) This section applies if:
 - (a) the registration of a person under Part 6 or 6A of the Act would otherwise cease at the end of the period of 3 years commencing on the day on which the registration took effect; and
 - (b) before the end of that period, an application for renewal of the registration is made in accordance with section 3-26 of this instrument.
- (2) The person's registration continues in effect after the end of the 3-year period and until the AUSTRAC CEO's decision on the renewal application takes effect.

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Part 3 Registration

Division 7 Matters registered persons required to advise

Section 3-32

Division 7—Matters registered persons required to advise

3-32 Matters registered persons required to advise

- (1) For the purposes of paragraphs 75M(1)(e) and (2)(b), and 76P(1)(b), of the Act, this section specifies matters of which a person registered under Part 6 or 6A of the Act must advise under those paragraphs.
- (2) The person must advise of the following matters:
 - (a) a change in the person's registrable details;
 - (b) a change in the matters mentioned in paragraphs 3-9(2)(a), (b) or (c) in relation to the person or its key personnel (which deal with certain criminal or civil proceedings);
 - (c) a change in information mentioned in section 3-8 (which deals with information regarding other persons assisting) in relation to the person;
 - (d) a change in any details mentioned in paragraph 3-4(1)(e) (which deals with foreign country registrations or licences) in relation to the person;
 - (e) the person ceasing to provide registrable services;
 - (f) a change in the information mentioned in paragraph 3-4(1)(j) (which deals with details of any beneficial owners) in relation to the person;
 - (g) a change in the information mentioned in paragraph 3-4(1)(q) (which deals with dealing with persons located in foreign countries) in relation to the person;
 - (h) for a person registered as a remittance network provider—a removal by the provider of a remittance affiliate of the provider from its remittance network.
- (3) The person must advise if the person becomes aware that information given to the AUSTRAC CEO was incomplete or inaccurate, and of the correction or clarification required in relation to the information, in circumstances where the information was given:
 - (a) by the person in connection with the registration; or
 - (b) if the registration is as a remittance affiliate of a registered network provider—by the provider in connection with the registration; or
 - (c) if the registration is as a remittance network provider—by the provider in connection with the registration of a remittance affiliate of the provider.

Division 8—Other matters

3-33 Spent convictions

Nothing in this Part affects the operation of Part VIIC of the *Crimes Act 1914* (which includes provisions that, in certain circumstances, relieve persons from the requirement to disclose spent convictions and require persons aware of such convictions to disregard them).

EXPOSURE DRAFT

Part 4 AML/CTF programs

Division 1 ML/TF risk assessment

Section 4-1

Part 4—AML/CTF programs

Division 1—ML/TF risk assessment

4-1 Review of ML/TF risk assessment

- (1) For the purposes of subparagraph 26D(1)(a)(iii) of the Act, a reporting entity must review its ML/TF risk assessment if an independent evaluation report contains adverse findings in relation to the ML/TF risk assessment.
- (2) For the purposes of paragraph 26D(2)(d) of the Act, the review must be undertaken as soon as practicable after the governing body of the reporting entity receives the independent evaluation report.

Division 2—AML/CTF policies

4-2 Prevention of tipping off

For the purposes of paragraph 26F(4)(g) of the Act, the AML/CTF policies of a reporting entity must deal with establishing safeguards to prevent any contravention of subsection 123(1) of the Act by the reporting entity or an officer, employee or agent of the reporting entity, including by ensuring the confidentiality and appropriate use of information disclosed by the reporting entity to persons employed or otherwise engaged by the reporting entity.

4-3 Provision of information to governing body

For the purposes of paragraph 26F(4)(g) of the Act, the AML/CTF policies of a reporting entity must deal with the provision of information to the governing body of the reporting entity to enable the governing body to fulfil its responsibilities under subsection 26H(1) of the Act.

4-4 Reporting from AML/CTF compliance officer to governing body

Requirements

- (1) For the purposes of paragraph 26F(4)(g) of the Act, the AML/CTF policies of a reporting entity must deal with ensuring its governing body receives reports from its AML/CTF compliance officer about the following matters:
 - (a) the reporting entity's compliance with its AML/CTF policies;
 - (b) the extent to which the reporting entity's AML/CTF policies are appropriately managing and mitigating the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services;
 - (c) the reporting entity's compliance with the Act, the regulations and the AML/CTF Rules.
- (2) The AML/CTF policies of a reporting entity must provide for the reporting mentioned in subsection (1) to occur regularly, with a frequency of at least once every 12 months.

Exception

- (3) Subsections (1) and (2) do not apply to a reporting entity if:
 - (a) the reporting entity is an individual; or
 - (b) the AML/CTF compliance officer of the reporting entity is the same individual who is the governing body of the reporting entity.

4-5 Undertaking personnel due diligence

- (1) For the purposes of paragraph 26F(7)(a) of the Act, this section specifies requirements in relation to the matter mentioned in paragraph 26F(4)(d) of the Act (undertaking due diligence in relation to persons who are, or will be, employed or otherwise engaged by the reporting entity).

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Section 4-6

- (2) The AML/CTF policies of the reporting entity must require the reporting entity, as part of undertaking that due diligence, to assess, both before a person's employment or engagement and during a person's employment or engagement:
 - (a) the person's skills, knowledge and expertise relevant to the particular responsibilities of the person under the AML/CTF policies; and
 - (b) the person's integrity.

4-6 Providing personnel training

- (1) For the purposes of paragraph 26F(7)(a) of the Act, this section specifies requirements in relation to the matter mentioned in paragraph 26F(4)(e) of the Act (providing training to persons who are employed or otherwise engaged by the reporting entity).
- (2) The AML/CTF policies of the reporting entity must deal with both initial training upon a person's employment or engagement and ongoing training during a person's employment or engagement.
- (3) The AML/CTF policies of the reporting entity must require that the training provided to a person:
 - (a) is appropriate having regard to:
 - (i) the particular function performed by the person; and
 - (ii) the particular risks of money laundering, financing of terrorism and proliferation financing that are relevant to the person's function; and
 - (iii) the particular responsibilities of the person under the AML/CTF policies; and
 - (b) is readily understandable by the person.

4-7 Independent evaluations

- (1) For the purposes of paragraph 26F(7)(a) of the Act, this section specifies requirements in relation to the matter mentioned in paragraph 26F(4)(f) of the Act (the conduct of independent evaluations of the reporting entity's AML/CTF program).
- (2) The AML/CTF policies of the reporting entity must require the following as part of the conduct of an independent evaluation:
 - (a) evaluation of the steps taken by the reporting entity when undertaking or reviewing the reporting entity's ML/TF risk assessment, against the requirements of the Act, the regulations and the AML/CTF Rules;
 - (b) evaluation of the design of the reporting entity's AML/CTF policies, against the requirements of the Act, the regulations and the AML/CTF Rules;
 - (c) testing and evaluation of the compliance of the reporting entity with the reporting entity's AML/CTF policies;
 - (d) testing and evaluation of whether the reporting entity is appropriately identifying, assessing, managing and mitigating the risks of money laundering, financing of terrorism and proliferation financing that the reporting entity may reasonably face in providing its designated services;

- (e) production of a written report (an *independent evaluation report*) containing findings on the matters mentioned in paragraphs (a) to (d);
 - (f) delivery of the independent evaluation report to the governing body of the reporting entity and to any senior manager responsible for approvals under section 26P of the Act.
- (3) The AML/CTF policies of the reporting entity must deal with how the reporting entity will respond to an independent evaluation report.

4-8 Reviewing and updating AML/CTF policies following independent evaluation

For the purposes of subparagraph 26F(3)(c)(ii) of the Act, the AML/CTF policies of a reporting entity must deal with reviewing and updating the AML/CTF policies in response to an independent evaluation report that contains adverse findings in relation to the AML/CTF policies.

4-9 Fulfilling reporting obligations

For the purposes of paragraph 26F(4)(g) of the Act, the AML/CTF policies of a reporting entity must deal with ensuring that information reported by the entity under sections 41, 43, 46 and 46A of the Act is complete, accurate and free from unauthorised change.

4-10 Assessment of potential suspicious matters

For the purposes of paragraph 26F(4)(g) of the Act, the AML/CTF policies of a reporting entity must deal with the following:

- (a) enabling timely review of material that is relevant to matters that may need to be reported under section 41 of the Act;
- (b) ensuring determination, as soon as practicable, of whether the reporting entity suspects on reasonable grounds any of the matters referred to in paragraphs 41(1)(d) to (j) of the Act.

4-11 Actions requiring approval or that senior manager be informed

Approval of senior manager

- (1) For the purposes of paragraph 26F(3)(e) of the Act, the AML/CTF policies of a reporting entity must ensure that the approval of a senior manager of the reporting entity is obtained before the reporting entity does any of the following:
- (a) commences to provide a designated service to a customer, if the reporting entity has established on reasonable grounds that the customer, any beneficial owner of the customer or any person on whose behalf the customer is receiving the service is a foreign politically exposed person;
 - (b) commences to provide a designated service to a customer, if:
 - (i) the reporting entity has established on reasonable grounds that the customer, any beneficial owner of the customer or any person on whose behalf the customer is receiving the service is a domestic politically exposed person; and

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- (ii) the ML/TF risk of the customer is high;
 - (c) commences to provide a designated service to a customer, if:
 - (i) the reporting entity has established on reasonable grounds that the customer, any beneficial owner of the customer or any person on whose behalf the customer is receiving the service is an international organisation politically exposed person; and
 - (ii) the ML/TF risk of the customer is high;
 - (d) continues a business relationship with a customer if the reporting entity establishes on reasonable grounds that the customer, any beneficial owner of the customer or any person on whose behalf the customer is receiving a designated service:
 - (i) has become a foreign politically exposed person; or
 - (ii) has become a domestic politically exposed person, or an international politically exposed person, in circumstances where the ML/TF risk of the customer is high;
 - (e) commences to provide a designated service as part of a nested services relationship;
 - (f) enters into an agreement or arrangement of the kind referred to in paragraph 37A(1)(a) of the Act as the first entity.
- (2) A foreign politically exposed person is taken to be a domestic politically exposed person for the purposes of subsection (1) if:
- (a) the designated service is being provided to the customer at or through a permanent establishment in a foreign country; and
 - (b) the foreign politically exposed person has that status because of the person's connection to the same foreign country.

Informing senior manager

- (3) For the purposes of paragraph 26F(3)(e) of the Act, the AML/CTF policies of a reporting entity must ensure that a senior manager of the reporting entity is informed before the reporting entity commences to provide a designated service covered by item 39 of table 1 in section 6 of the Act to a customer if the ML/TF risk of the customer is high.

Other actions requiring approval

- (4) For the purposes of paragraph 26F(3)(e) of the Act, the AML/CTF policies of a reporting entity must deal with:
- (a) circumstances (other than the circumstances mentioned in subsection (1)) in which approval is required relating to:
 - (i) the reporting entity commencing to provide a designated service to a customer; or
 - (ii) whether the reporting entity is to continue a business relationship with a customer; and
 - (b) who is authorised to give the required approval in each of those circumstances.

4-12 Policies relating to financial sanctions

For the purposes of paragraph 26F(3)(e) of the Act, the AML/CTF policies of a reporting entity must deal with ensuring that, in providing its designated services, the reporting entity:

- (a) does not make any money, property or virtual assets available to, or available for the benefit of, a person designated for targeted financial sanctions, in contravention of the *Autonomous Sanctions Act 2011* or the *Charter of the United Nations Act 1945*; and
- (b) does not use or deal with, or allow or facilitate the use of or dealing with, any money, property or virtual assets owned or controlled (directly or indirectly) by a person designated for targeted financial sanctions, in contravention of either of those Acts.

4-13 Policies relating to the obligations of ordering institutions relating to virtual asset transfers

For the purposes of paragraph 26F(3)(e) of the Act, the AML/CTF policies of a reporting entity must deal with the following if the reporting entity is to provide a designated service covered by item 29 of table 1 in section 6 of the Act, as an ordering institution, in relation to the transfer of a virtual asset:

- (a) how the reporting entity will undertake due diligence to determine:
 - (i) whether the wallet to which the virtual asset is being transferred is a custodial wallet or a self-hosted wallet; and
 - (ii) if the wallet is a custodial wallet—whether the person who controls the wallet is required to be licensed or registered under a law that gives effect to the FATF Recommendations, and, if the person is so required, whether the person is so licensed or registered;
- (b) if the person who controls the wallet is a person licensed or registered under a law that gives effect to the FATF Recommendations, or a person not required to be so licensed or registered—how the reporting entity will determine whether the beneficiary institution is capable of:
 - (i) receiving the information that the reporting entity is required to pass on under subsection 64(3) of the Act securely; and
 - (ii) safeguarding the confidentiality of that information;
- (c) if the wallet is a self-hosted wallet—how the reporting entity will identify the payee and any steps the reporting entity will take to verify the person who controls the wallet;
- (d) how the reporting entity will manage and mitigate the ML/TF risk of transferring the virtual asset if the person who controls the wallet is:
 - (i) the payee in a case where the person who controls the wallet has not been verified; or
 - (ii) a person not required to be licensed or registered under a law that gives effect to the FATF Recommendations.

Note: Subsection 66A(4) of the Act prohibits provision of the designated service if the transfer of value is to a person who is required to be licensed or registered under a law that gives effect to the FATF Recommendations, but is not so licensed or registered.

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Part 4 AML/CTF programs
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Section 4-14

4-14 Policies relating to the obligations of beneficiary institutions

Policies relating to all transfers of value

- (1) For the purposes of paragraph 26F(3)(e) of the Act, the AML/CTF policies of a reporting entity must deal with the following if the reporting entity is to provide a designated service covered by item 30 of table 1 in section 6 of the Act, as a beneficiary institution to a payee:
 - (a) reasonable steps to monitor:
 - (i) whether the reporting entity has received the information specified in section 7-4 of this instrument relating to the transfer of value; and
 - (ii) whether the information received about the payee is accurate;
 - (b) determining whether to make the transferred value available to the payee in the circumstances described in subsection 65(3) of the Act;
 - (c) determining whether to request further information from another institution in the value transfer chain in the circumstances described in subsection 65(3) of the Act.

Note: Subsection 66A(6) of the Act prohibits a beneficiary institution from providing the designated service in relation to the transfer of a virtual asset if it has not received all of the information, unless the exception in subsection 66A(10) applies.

Policies relating to virtual asset transfers

- (2) The AML/CTF policies of the reporting entity must also deal with the following if the designated service is to be provided in relation to the transfer of a virtual asset:
 - (a) how the reporting entity will undertake due diligence to determine:
 - (i) whether the wallet from which the virtual asset is being transferred is a custodial wallet or a self-hosted wallet; and
 - (ii) if the wallet is a custodial wallet—whether the person who controls the wallet is required to be licensed or registered under a law that gives effect to the FATF Recommendations, and, if the person is so required, whether the person is so licensed or registered;
 - (b) if the person who controls the wallet is a person who is licensed or registered under a law that gives effect to the FATF Recommendations, or a person not required to be so licensed or registered—how the reporting entity will determine whether the ordering institution, and any intermediary institution, is capable of securely passing on the information specified in section 7-4 of this instrument relating to the transfer of value;
 - (c) if the wallet is a self-hosted wallet—how the reporting entity will identify the payer and any steps the reporting entity will take to verify the person who controls the wallet;
 - (d) how the reporting entity will manage and mitigate the ML/TF risk of transferring the virtual asset if the person who controls the wallet is:
 - (i) the payer in a case where the person who controls the wallet has not been verified; or
 - (ii) a person not required to be licensed or registered under a law that gives effect to the FATF Recommendations; or

- (iii) a person licensed or registered under a law that gives effect to the FATF Recommendations, in a case where the ordering institution or any intermediary institution is not capable of securely passing on information.

Note: Subsection 66A(7) of the Act prohibits provision of the service if the person who controls the wallet is required to be licensed or registered under a law that gives effect to the FATF Recommendations, but is not so licensed or registered.

4-15 Policies relating to the obligations of intermediary institutions

For the purposes of paragraph 26F(3)(e) of the Act, the AML/CTF policies of a reporting entity must deal with the following if the reporting entity is to provide a designated service covered by item 31 of table 1 in section 6 of the Act, as an intermediary institution, in relation to a transfer of value:

- (a) reasonable steps to monitor whether the reporting entity has received the information specified in section 7-5 relating to the transfer of value;
- (b) determining whether to pass on a transfer message for the transfer of value in the circumstances described in subsection 66(3) of the Act;
- (c) determining whether to request further information from another institution in the value transfer chain in the circumstances described in subsection 66(3) of the Act.

4-16 Policies relating to customer due diligence for real estate transactions

For the purposes of paragraph 26F(3)(e) of the Act, the AML/CTF policies of a reporting entity that:

- (a) is to provide a designated service covered by item 1 of table 5 or item 1 of table 6 in section 6 of the Act; and
- (b) is a participant in an arrangement of the kind described in paragraph 5-16(e) of this instrument;

must deal with how the reporting entity will verify the KYC information the reporting entity has collected in relation to a customer, if the reporting entity does not obtain KYC information and data used for verification in relation to the customer from another reporting entity as described in paragraph 5-16(f) of this instrument.

4-17 Record-keeping by lead entity of reporting group

For the purposes of paragraph 26F(6)(d) of the Act, the AML/CTF policies of a reporting entity that is the lead entity of a reporting group must deal with keeping up-to-date records about the membership of the reporting group (including recording changes of membership).

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Part 4 AML/CTF programs

Division 3 AML/CTF compliance officers

Section 4-18

Division 3—AML/CTF compliance officers

4-18 AML/CTF compliance officer requirements—matters to have regard to in determining whether a fit and proper person

- (1) For the purposes of subsection 26J(4) of the Act, a reporting entity must have regard to the following matters in determining whether an individual is a fit and proper person for the purposes of paragraph 26J(3)(b) of the Act:
 - (a) whether the individual possesses the necessary competence, skills, knowledge, diligence, expertise and soundness of judgement to properly perform the duties of the AML/CTF compliance officer for the reporting entity (also having regard to the nature, size and complexity of the reporting entity);
 - (b) whether the individual has the attributes of good character, honesty and integrity;
 - (c) whether the individual has been convicted of a serious offence;
 - (d) whether the individual has been the subject of adverse findings, or found to have engaged in serious misconduct, by a regulatory body in Australia or a foreign country;
 - (e) whether the individual is an undischarged bankrupt under the law of Australia or a foreign country;
 - (f) whether the individual has executed a personal insolvency agreement under Part X of the *Bankruptcy Act 1966* or a similar law of a foreign country;
 - (g) whether the individual has a conflict of interest that will create a material risk that the individual will fail to properly perform the duties of the AML/CTF compliance officer for the reporting entity.
- (2) Paragraph (1)(c) of this section does not affect the operation of Part VIIC of the *Crimes Act 1914* (which includes provisions that, in certain circumstances, relieve persons from the requirement to disclose spent convictions and require persons aware of such convictions to disregard them).

Division 4—AML/CTF program documentation

4-19 Time period for AML/CTF program documentation

- (1) For the purposes of subsection 26N(1) of the Act, a reporting entity must document:
 - (a) the ML/TF risk assessment undertaken by the reporting entity under section 26C of the Act; and
 - (b) the AML/CTF policies developed by the reporting entity under section 26F of the Act;within the period ending immediately before the reporting entity first commences providing a designated service to a customer.
- (2) For the purposes of subsection 26N(1) of the Act, if a reporting entity:
 - (a) updates its ML/TF risk assessment under section 26D of the Act; or
 - (b) updates its AML/CTF policies;the reporting entity must document its AML/CTF program (as updated) within 14 days after the update occurs.

EXPOSURE DRAFT

Part 5 Customer due diligence

Division 1 Matters to be established in initial customer due diligence

Section 5-1

Part 5—Customer due diligence

Division 1—Matters to be established in initial customer due diligence

5-1 Establishing the identity of the customer

- (1) For the purposes of paragraph 28(6)(a) of the Act, the requirements in this section apply in relation to a reporting entity establishing on reasonable grounds the matter mentioned in paragraph 28(2)(a) of the Act (the identity of the customer) if:
 - (a) either:
 - (i) the customer is a person other than an individual; or
 - (ii) the provision of a designated service is proposed to relate to the customer's conduct of a business; and
 - (b) a designated service is proposed to be provided by the reporting entity to the customer at or through a permanent establishment of the reporting entity in Australia.
- (2) The reporting entity must establish on reasonable grounds the following information about the customer:
 - (a) the customer's full name, and any business names of the customer;
 - (b) a unique identifier for the customer (if any has been given);
 - (c) the address of any registered office of the customer;
 - (d) the address of any principal place of business or operations of the customer.

5-2 Additional matters for initial customer due diligence

Scope of section

- (1) For the purposes of paragraph 28(2)(g) of the Act, this section specifies matters in relation to a customer if the reporting entity provides its designated services at or through a permanent establishment of the reporting entity in Australia.

Customer that is a business

- (2) If the provision of a designated service is proposed to relate to the customer's conduct of a business, a specified matter is the nature of the customer's business.

Ownership and control etc.

- (3) For any customer other than an individual or a government body, the following matters are specified:
 - (a) the legal form of the customer (such as a partnership, company or trust);
 - (b) the ownership, control and management structure of the customer;
 - (c) the full name of the individual, or each member of the group of individuals, with primary responsibility for the governance and executive decisions of the customer.

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Legal or official documentation

- (4) For any customer other than:
- (a) an individual acting on their own behalf; or
 - (b) a government body; or
 - (c) a listed public company that is subject to public disclosure requirements (however imposed) that ensure transparency regarding the identity of any beneficial owners;

the legal or official documentation which demonstrates how the customer is governed is specified.

Note: Examples include the constitution of a body corporate, a partnership agreement or a trust deed.

Bodies corporate

- (5) Without limiting subsection (3), if the customer is a body corporate, the full name, and director identification number (within the meaning of the *Corporations Act 2001*) (if any), of each eligible officer (within the meaning of that Act) of the customer are specified.

Trustees of express trusts and equivalent

- (6) Without limiting subsection (3), if the customer is a trustee of an express trust, or holds an equivalent position in a foreign arrangement such as a fiducie, treuhand or fideicomiso, the following matters are specified:
- (a) the kind of trust or equivalent (such as discretionary trust, bare trust or unit trust);
 - (b) the full name of any settlor of the trust, or holder of an equivalent position in a foreign arrangement;
 - (c) the identity of any appointor, guardian or protector of the trust, or holder of an equivalent position in a foreign arrangement.

Identity of individuals with responsibility for decisions of certain customers

- (7) The identity of the individual, or each member of the group of individuals, with primary responsibility for the governance and executive decisions of the customer is specified if:
- (a) the customer is not an individual; and
 - (b) either:
 - (i) the reporting entity establishes on reasonable grounds that there are no beneficial owners of the customer; or
 - (ii) the reporting entity is taken to have complied with the matter mentioned in paragraph 28(2)(d) of the Act because of section 5-15 of this instrument (identity of beneficial owners of certain customers).

Note: For requirements in relation to establishing the identity of a person, see section 5-3 of this instrument.

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Part 5 Customer due diligence

Division 1 Matters to be established in initial customer due diligence

Section 5-3

5-3 Establishing the identity of agents, beneficial owners, trustees etc.

- (1) For the purposes of paragraph 28(6)(a) of the Act, this section specifies requirements in relation to establishing on reasonable grounds:
 - (a) the matters mentioned in paragraphs 28(2)(b), (c) and (d) of the Act; and
 - (b) any matter specified by the AML/CTF Rules under paragraph 28(2)(g) of the Act that involves establishing the identity of a person other than the customer.
- (2) A reporting entity must:
 - (a) collect the same information about the identity of the person that it would be required to collect in undertaking initial customer due diligence if the person were a customer; and
 - (b) verify information about the identity of the person in the same way that it would be required to if the person were a customer; and
 - (c) apply the same AML/CTF policies in relation to identifying the person that it would apply in undertaking initial customer due diligence if the person were a customer.

Division 2—Simplified and enhanced customer due diligence

5-4 Simplified customer due diligence requirements

For the purposes of paragraph 31(c) of the Act, for a reporting entity to apply simplified customer due diligence measures the AML/CTF policies of the reporting entity must deal with the application of those measures.

5-5 Customers for whom enhanced customer due diligence is required

For the purposes of paragraph 32(f) of the Act, enhanced customer due diligence must be applied to a customer who seeks designated services if the proposed provision of designated services:

- (a) has no apparent economic or legal purpose; or
- (b) would involve unusually complex or large transactions; or
- (c) would involve an unusual pattern of transactions.

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Part 5 Customer due diligence

Division 3 Exemptions from initial customer due diligence

Section 5-6

Division 3—Exemptions from initial customer due diligence

5-6 Delayed verification for certain identification requirements—service provided in Australia

Circumstances

- (1) For the purposes of paragraph 29(a) of the Act, a reporting entity may commence to provide a designated service to a customer (subject to other requirements) if the designated service is provided at or through a permanent establishment of the reporting entity in Australia.

Specified period

- (2) For the purposes of subparagraph 29(c)(ii) of the Act, in the circumstances mentioned in subsection (1) of this section the specified period is 30 days.

Requirements

- (3) For the purposes of paragraph 29(f) of the Act, a requirement in the circumstances mentioned in subsection (1) of this section is that the reporting entity establishes on reasonable grounds:
 - (a) each of the matters mentioned in paragraphs 28(2)(a), (c), (e) and (f) of the Act in relation to the customer; and
 - (b) any matter specified by the AML/CTF Rules under paragraph 28(2)(g) of the Act that does not involve establishing the identity of a person other than the customer.
- (4) For the purposes of paragraph 29(f) of the Act, a further requirement in the circumstances mentioned in subsection (1) of this section is that the reporting entity collects the information required by paragraph 5-3(2)(a) of this instrument in relation to:
 - (a) the matters mentioned in paragraphs 28(2)(b) and (d) of the Act in relation to the customer; and
 - (b) any matter specified by the AML/CTF Rules under paragraph 28(2)(g) of the Act that involves establishing the identity of a person other than the customer.

5-7 Delayed initial due diligence—real estate transactions

Circumstances

- (1) For the purposes of paragraph 29(a) of the Act, a reporting entity may commence to provide a designated service to a customer (subject to other requirements) if:
 - (a) the designated service is covered by item 1 of table 5 in section 6 of the Act (brokering the sale, purchase or transfer of real estate); and
 - (b) the customer is the buyer or transferee of the real estate; and
 - (c) the reporting entity has previously provided a designated service covered by item 1 of table 5 in section 6 of the Act to the seller or transferor of the real estate.

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- (2) For the purposes of paragraph 29(a) of the Act, a reporting entity may commence to provide a designated service to a customer (subject to other requirements) if:
 - (a) the designated service is covered by item 1 of table 5 in section 6 of the Act (brokering the sale, purchase or transfer of real estate); and
 - (b) the customer is the seller or transferor of the real estate; and
 - (c) the reporting entity has previously provided a designated service covered by item 1 of table 5 in section 6 of the Act to the buyer or transferee of the real estate.
- (3) For the purposes of paragraph 29(a) of the Act a reporting entity may commence to provide a designated service to a customer (subject to other requirements) if:
 - (a) the designated service is covered by item 1 of table 6 in section 6 of the Act (assisting a person in a transaction to sell, buy or otherwise transfer real estate); and
 - (b) the customer is or is to be the buyer or transferee in the transaction.

Specified period

- (4) For the purposes of subparagraph 29(c)(ii) of the Act, in each of the circumstances mentioned in subsections (1) to (3) of this section the specified period is the period ending at the settlement of the sale, purchase or transfer of the real estate.

Requirements

- (5) For the purposes of paragraph 29(f) of the Act, a requirement in each of the circumstances mentioned in subsections (1) to (3) is that the settlement of the sale, purchase or transfer of the real estate must be conditional on compliance with subsection 28(1) of the Act in relation to the customer.

5-8 Delayed initial due diligence—service provided in foreign country

For the purposes of paragraph 29(a) of the Act, a reporting entity may commence to provide a designated service to a customer (subject to other requirements) if:

- (a) the service is to be provided at or through a permanent establishment of the reporting entity in a foreign country; and
- (b) the law of that country that gives effect to the FATF Recommendations permits the reporting entity to establish a matter or matters in subsection 28(2) of the Act after providing the service.

5-9 Delayed initial due diligence for certain matters (politically exposed persons and sanctions)—service provided in Australia

- (1) For the purposes of paragraph 29(a) of the Act, a reporting entity may commence to provide a designated service to a customer (subject to other requirements) if the service is to be provided at or through a permanent establishment of the reporting entity in Australia.
- (2) For the purposes of paragraph 29(f) of the Act, a requirement in the circumstances mentioned in subsection (1) of this section is that the reporting

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entity has established each of the matters in subsection 28(2) of the Act except the matter in paragraph 28(2)(e) of the Act.

5-10 Delayed verification—opening an account and deposit

- (1) For the purposes of paragraph 29(a) of the Act, a reporting entity may commence to provide a designated service to a customer (subject to other requirements) if:
 - (a) the designated service is covered by item 1 of table 1 in section 6 of the Act; or
 - (b) the designated service is covered by item 3 of table 1 in section 6 of the Act, and the transaction is a deposit made to the account; or
 - (c) provision of the designated service is reasonably incidental to the provision of a designated service mentioned in paragraph (a) or (b) of this subsection.
- (2) For the purposes of paragraph 29(f) of the Act, a requirement in all of the circumstances mentioned in subsection (1) of this section is that the reporting entity must do the following in relation to the customer to whom the designated service is to be provided:
 - (a) if the customer is an individual—take reasonable steps to establish that the customer is the person the customer claims to be;
 - (b) identify the ML/TF risk of the customer, based on KYC information about the customer that is reasonably available to the reporting entity before commencing to provide the designated service;
 - (c) collect KYC information about the customer that is appropriate to the ML/TF risk of the customer.

5-11 Delayed verification—certain financial markets transactions

Circumstances

- (1) For the purposes of paragraph 29(a) of the Act, a reporting entity may commence to provide a designated service to a customer (subject to other requirements) if:
 - (a) the designated service is covered by item 33 of table 1 in section 6 of the Act; and
 - (b) the acquisition or disposal is of a security, derivative or foreign exchange contract on a declared financial market (within the meaning of the *Corporations Act 2001*); and
 - (c) the acquisition or disposal must be performed rapidly due to financial market conditions relevant to the transaction.

Specified period

- (2) For the purposes of subparagraph 29(c)(ii) of the Act, in the circumstances mentioned in subsection (1) of this section the specified period is 5 business days.

Requirements

- (3) For the purposes of paragraph 29(f) of the Act, a requirement in circumstances mentioned in subsection (1) of this section is that the reporting entity must do the

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following in relation to the customer to whom the designated service is to be provided:

- (a) if the customer is an individual—take reasonable steps to establish that the customer is the person the customer claims to be;
 - (b) identify the ML/TF risk of the customer, based on KYC information about the customer that is reasonably available to the reporting entity before commencing to provide the designated service;
 - (c) collect KYC information about the customer that is appropriate to the ML/TF risk of the customer.
- (4) For the purposes of paragraph 29(f) of the Act, further requirements in the circumstances mentioned in subsection (1) of this section are:
- (a) the designated service must not involve the acquisition of an interest in a managed investment scheme to which section 1019B of the *Corporations Act 2001* applies; and
 - (b) the reporting entity must not do any of the following:
 - (i) accept physical currency to fund the designated service;
 - (ii) permit the customer to transfer, or otherwise part with, proceeds from a disposal of a security, derivative or foreign exchange contract;
 - (iii) resell, transfer, or otherwise part with a security, derivative or foreign exchange contract that has been acquired on behalf of the customer;
 - (iv) allow the customer to be recredited with or obtain a refund of the purchase price.

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Part 5 Customer due diligence

Division 4 Circumstances in which reporting entity taken to comply with requirements

Section 5-12

Division 4—Circumstances in which reporting entity taken to comply with requirements

5-12 Initial customer due diligence—previous carrying out of applicable customer identification procedure

For the purposes of paragraph 28(6)(b) of the Act, a reporting entity is taken to have complied with each of the matters mentioned in subsection 28(2) in relation to a customer if the reporting entity had, before 31 March 2026, carried out the applicable customer identification procedure in respect of that customer (within the meaning of the Act as in force immediately before that date).

5-13 Initial customer due diligence—previous compliance in a foreign country

For the purposes of paragraph 28(6)(b) of the Act, a reporting entity is taken to have complied with a matter mentioned in subsection 28(2) in relation to a customer if:

- (a) the reporting entity or another member of the reporting group of the reporting entity has previously commenced to provide a service (whether or not a designated service) to the customer at or through a permanent establishment in a foreign country; and
- (b) laws of the foreign country giving effect to the FATF Recommendations relating to customer due diligence and record-keeping applied in relation to the provision of the service; and
- (c) either:
 - (i) the reporting entity or other member was not required to establish the matter under those laws in relation to the provision of the service on the basis that the risks of money laundering, financing of terrorism and proliferation financing associated with the provision of the service to the customer were low; or
 - (ii) the reporting entity or other member established the matter in relation to the provision of the service as required by those laws; and
- (d) either:
 - (i) the reporting entity holds the KYC information collected on the customer, and the reliable and independent data used to verify the KYC information, in connection with the provision of the service; or
 - (ii) the reporting entity has in place an arrangement permitting immediate access to the KYC information collected on the customer by the other member of the reporting group, and the reliable and independent data used to verify the KYC information, in connection with the provision of the service.

5-14 Initial customer due diligence—establishing the identity of any person on whose behalf the customer is receiving the designated service

For the purposes of paragraph 28(6)(b) of the Act, a reporting entity is taken to have complied with the matter mentioned in paragraph 28(2)(b) in relation to a customer if the reporting entity:

- (a) establishes on reasonable grounds the identity of the beneficiaries of a trust or an equivalent foreign arrangement such as a fiducie, treuhand or fideicomiso on whose behalf the customer is receiving the designated service; or
- (b) if the nature of the trust or equivalent arrangement means that it is not possible to identify each beneficiary—establishes on reasonable grounds a description of each class of beneficiary on whose behalf the customer is receiving the designated service; or
- (c) establishes on reasonable grounds that the customer is not receiving the designated service on behalf of a beneficiary or class of beneficiary of a trust or an equivalent foreign arrangement such as a fiducie, treuhand or fideicomiso.

5-15 Initial customer due diligence—identity of beneficial owners of certain customers

For the purposes of paragraph 28(6)(b) of the Act, a reporting entity is taken to have complied with the matter mentioned in paragraph 28(2)(d) in relation to a customer if:

- (a) the ML/TF risk of the customer is low; and
- (b) section 32 of the Act does not apply to the customer; and
- (c) the reporting entity has established on reasonable grounds that the customer is, or is controlled by:
 - (i) a government body; or
 - (ii) an entity that is subject to oversight by a prudential, insurance, or investor protection regulator through registration or licensing requirements; or
 - (iii) a corporation or association of homeowners in a strata title or community title scheme; or
 - (iv) a listed public company that is subject to public disclosure requirements (however imposed) that ensure transparency regarding the identity of any beneficial owners.

5-16 Initial customer due diligence—real estate transactions

For the purposes of paragraph 28(6)(b) of the Act, a reporting entity is taken to have complied with a matter mentioned in paragraph 28(2)(b), (c), (d), (e) or (g) of the Act in relation to a customer if:

- (a) the only kind of designated service the reporting entity is proposing to provide to the customer is a designated service covered by:
 - (i) item 1 of table 5 in section 6 of the Act (brokering the sale, purchase or transfer of real estate); or
 - (ii) item 1 of table 6 in section 6 of the Act (assisting a person in a transaction to sell, buy or otherwise transfer real estate); and
- (b) where the customer is an individual—the reporting entity has taken reasonable steps to establish that the customer is the person the customer claims to be; and

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Part 5 Customer due diligence

Division 4 Circumstances in which reporting entity taken to comply with requirements

Section 5-17

- (c) the reporting entity has identified the ML/TF risk of the customer, based on KYC information about the customer that is reasonably available to the reporting entity before commencing to provide the designated service; and
- (d) the reporting entity has collected KYC information about the customer that is appropriate to the ML/TF risk of the customer; and
- (e) the reporting entity is a participant in an arrangement in which another participating reporting entity that will provide a designated service related to the sale, purchase or transfer of the real estate will be able to collect and verify KYC information relating to the customer in accordance with paragraphs 28(3)(c) and (d) of the Act; and
- (f) the arrangement enables the reporting entity to obtain the KYC information collected by another participating reporting entity, and copies of the data used by the other entity to verify the KYC information, before the settlement of the sale, purchase or transfer; and
- (g) the arrangement documents the responsibilities of each participant, including responsibilities for record-keeping.

5-17 Initial customer due diligence—individual cannot provide satisfactory evidence

For the purposes of paragraph 28(6)(b) of the Act, a reporting entity is taken to have complied with a matter mentioned in subsection 28(2) in relation to a person mentioned in that subsection if:

- (a) the person is an individual; and
- (b) the person is unable to provide the information or evidence of identity necessary for the reporting entity to establish the matter because:
 - (i) the person is unable to obtain the information or evidence; or
 - (ii) the person is unable to access the information or evidence due to circumstances beyond the person's control; and
- (c) the reporting entity has taken reasonable steps to establish that the person is who the person claims to be; and
- (d) if the person is the customer—the reporting entity has done all of the following:
 - (i) identified the ML/TF risk of the customer, based on KYC information about the customer that is reasonably available to the reporting entity before commencing to provide the designated service;
 - (ii) collected KYC information about the customer that is appropriate to the ML/TF risk of the customer;
 - (iii) taken reasonable steps to verify, using data reasonably available to the reporting entity, such of the KYC information referred to in subparagraph (ii) as is appropriate to the ML/TF risk of the customer; and
- (e) the reporting entity has AML/CTF policies to mitigate and manage any additional ML/TF risk arising from the lack of the information or evidence.

5-18 Initial customer due diligence—transferred customer

For the purposes of paragraph 28(6)(b) of the Act, a reporting entity is taken to have complied with each of the matters mentioned in subsection 28(2) in relation to a customer if:

- (a) the customer became a customer of the reporting entity as a result of any of the following events occurring:
 - (i) another reporting entity (the **prior entity**) has assigned, conveyed, sold or transferred the whole or a part of its business to the reporting entity;
 - (ii) all or part of the assets and liabilities of another reporting entity (the **prior entity**) have become the assets and liabilities of the reporting entity as a result of a voluntary transfer that has taken effect under Part 3 of the *Financial Sector (Transfer and Restructure) Act 1999*;
 - (iii) all or part of the assets and liabilities of another reporting entity (the **prior entity**) have become the assets and liabilities of the reporting entity as a result of a compulsory transfer that has taken effect under an Act; and
- (b) the reporting entity has obtained copies of the records that the prior entity kept under sections 107, 108, 111 and 114 of the Act in relation to the customer.

Note: This section relates to initial customer due diligence under section 28 of the Act. The reporting entity is also required to undertake ongoing customer due diligence under section 30 of the Act.

5-19 Ongoing customer due diligence—transferred pre-commencement customer

- (1) For the purposes of paragraph 30(3)(b) of the Act, a reporting entity is taken to comply with the matters mentioned in paragraphs 30(2)(b) and (c) of the Act in relation to a customer if:
 - (a) the customer became a customer of the reporting entity as a result of any of the following events occurring:
 - (i) another reporting entity (the **prior entity**) has assigned, conveyed, sold or transferred the whole or a part of its business to the reporting entity;
 - (ii) all or part of the assets and liabilities of another reporting entity (the **prior entity**) have become the assets and liabilities of the reporting entity as a result of a voluntary transfer that has taken effect under Part 3 of the *Financial Sector (Transfer and Restructure) Act 1999*;
 - (iii) all or part of the assets and liabilities of another reporting entity (the **prior entity**) have become the assets and liabilities of the reporting entity as a result of a compulsory transfer that has taken effect under an Act; and
 - (b) immediately before that event, the customer was a pre-commencement customer of the prior entity; and
 - (c) the reporting entity has obtained copies of the records that the prior entity kept under sections 107, 108, 111 and 114 of the Act in relation to the customer; and

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- (d) the reporting entity monitors for significant changes in the nature and purpose of the reporting entity's business relationship with the customer that may result in the ML/TF risk of the customer being medium or high.
- (2) However, subsection (1) ceases to apply in relation to the customer if:
 - (a) a suspicious matter reporting obligation arises for the reporting entity in relation the customer; or
 - (b) there is a significant change in the nature and purpose of the business relationship with the customer which results in the ML/TF risk of the customer being medium or high.

5-20 Ongoing customer due diligence—monitoring of transactions and behaviours

For the purposes of paragraph 30(3)(b) of the Act, a reporting entity is taken to comply with the matter mentioned in paragraph 30(2)(a) of the Act, if:

- (a) the reporting entity monitors its customers in relation to the provision of its designated services for unusual transactions and behaviours that may give rise to a suspicious reporting obligation because of the operation of paragraphs 41(1)(d) to (j) of the Act other than subparagraph 41(1)(f)(iii); and
- (b) the reporting entity monitors its customers in relation to the provision of its designated services for unusual transactions and behaviours that may give rise to a suspicious reporting obligation because of the operation of subparagraph 41(1)(f)(iii) of the Act in relation to an offence against a law of the Commonwealth or of a State or Territory of any of the following kinds:
 - (i) money laundering;
 - (ii) financing of terrorism;
 - (iii) proliferation financing and other offences relating to the breach of sanctions;
 - (iv) participation in organised crime or racketeering;
 - (v) terrorism;
 - (vi) human trafficking or people smuggling;
 - (vii) sexual exploitation (including exploitation of children);
 - (viii) trafficking of illicit substances;
 - (ix) arms trafficking;
 - (x) other goods trafficking (including stolen goods);
 - (xi) corruption;
 - (xii) bribery;
 - (xiii) counterfeiting currency;
 - (xiv) fraud (including scams);
 - (xv) counterfeiting or piracy of products;
 - (xvi) crimes relating to taxation;
 - (xvii) extortion;
 - (xviii) forgery;
 - (xix) piracy;

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- (xx) insider trading and market manipulation;
- (xxi) environmental crime;
- (xxii) robbery or theft;
- (xxiii) kidnapping, illegal restraint or taking hostages;
- (xxiv) smuggling (including offences in relation to customs and excise);
- (xxv) murder or grievous bodily harm;
- (xxvi) cybercrime;
- (xxvii) any other kind of offence that the reporting entity has identified in its ML/TF risk assessment as presenting a high risk in relation to the occurrence of money laundering.

Note: Subparagraph 41(f)(iii) of the Act refers to the reporting entity suspecting on reasonable grounds that information it has may be relevant to investigation of, or prosecution of a person for, an offence against a law of the Commonwealth or of a State or Territory.

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Part 5 Customer due diligence

Division 5 Politically exposed persons

Section 5-21

Division 5—Politically exposed persons

5-21 Matters for initial customer due diligence—politically exposed person

- (1) For the purposes of paragraph 28(2)(g) of the Act, the matters in subsection (2) of this section are specified in relation to a customer if:
 - (a) the reporting entity has established on reasonable grounds that the customer, any beneficial owner of the customer or any person on whose behalf the customer is receiving the designated service is a foreign politically exposed person; or
 - (b) both:
 - (i) the reporting entity has established on reasonable grounds that the customer, any beneficial owner of the customer or any person on whose behalf the customer is receiving the designated service is a domestic politically exposed person; and
 - (ii) the ML/TF risk of the customer is high; or
 - (c) both:
 - (i) the reporting entity has established on reasonable grounds that the customer, any beneficial owner of the customer or any person on whose behalf the customer is receiving the designated service is an international organisation politically exposed person; and
 - (ii) the ML/TF risk of the customer is high.
- (2) The matters are:
 - (a) the source of the politically exposed person's wealth; and
 - (b) the source of the politically exposed person's funds.
- (3) A foreign politically exposed person is taken to be a domestic politically exposed person for the purposes of subsection (1) if:
 - (a) the designated service is being provided to the customer at or through a permanent establishment in a foreign country; and
 - (b) the foreign politically exposed person has that status because of the person's connection to the same foreign country.

5-22 Delayed initial due diligence for certain matters (politically exposed persons)—service provided in Australia

- (1) For the purposes of paragraph 29(a) of the Act, a reporting entity may commence to provide a designated service to a customer (subject to other requirements) in circumstances where the reporting entity is required to establish the matters specified in section 5-21 on reasonable grounds if the service is to be provided at or through a permanent establishment of the reporting entity in Australia.
- (2) For the purposes of paragraph 29(f) of the Act, a requirement in the circumstances mentioned in subsection (1) of this section is that the reporting entity has established on reasonable grounds each of the matters in subsection 28(2) of the Act except the matters specified in section 5-21 of this instrument.

5-23 Ongoing customer due diligence—politically exposed person

- (1) For the purposes of subparagraph 30(2)(c)(ii) of the Act, the reporting entity must review, and where appropriate, update and reverify KYC information relating to the customer if:
 - (a) the customer, a beneficial owner of the customer or a person on whose behalf the customer is receiving the designated service becomes a foreign politically exposed person; or
 - (b) both:
 - (i) the customer, a beneficial owner of the customer or a person on whose behalf the customer is receiving the designated service becomes a domestic politically exposed person; and
 - (ii) the ML/TF risk of the customer is high; or
 - (c) both:
 - (i) the customer, a beneficial owner of the customer or a person on whose behalf the customer is receiving the designated service becomes an international organisation politically exposed person; and
 - (ii) the ML/TF risk of the customer is high.
- (2) A foreign politically exposed person is taken to be a domestic politically exposed person for the purposes of subsection (1) if:
 - (a) the designated service is being provided to the customer at or through a permanent establishment in a foreign country; and
 - (b) the foreign politically exposed person has that status because of the person's connection to the same foreign country.

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Division 6 Nested service relationships

Section 5-24

Division 6—Nested service relationships

5-24 Matters for initial customer due diligence—nested services relationship

For the purposes of paragraph 28(2)(g) of the Act, the following matters are specified in relation to a customer of a reporting entity when a designated service is proposed to be provided to the customer as part of a nested services relationship:

- (a) the ownership, control and management structures of:
 - (i) the customer; and
 - (ii) the ultimate parent of the customer (if any);
- (b) the nature, size and complexity of the customer's business, including:
 - (i) the products and services offered by the customer, and the delivery channels by which it provides services; and
 - (ii) the kinds of customers that the customer of the reporting entity has; and
 - (iii) the kinds of transactions that would be carried out on behalf of the customer's own customers as part of the nested services relationship and the services that would be provided to those customers that relate to such transactions;
- (c) the country or countries:
 - (i) in which the customer operates or of which it is a resident; and
 - (ii) if the ultimate parent of the customer (if any) has group-wide anti-money laundering and counter-terrorism financing systems and controls, and the customer operates within the requirements of those controls—in which the ultimate parent operates or of which it is a resident;
- (d) the existence and quality of any anti-money laundering and counter-terrorism financing regulation and supervision in the country or countries identified under paragraph (c) and the customer's compliance practices in relation to those regulations;
- (e) the appropriateness of the customer's anti-money laundering and counter-terrorism financing systems and controls;
- (f) publicly available information relating to the reputation of the customer and the members (if any) of the business group of which the customer is a member that are a remitter, virtual asset service provider or financial institution, including whether the customer or any of those members has been the subject of:
 - (i) a regulatory investigation relating to implementation of anti-money laundering, counter-terrorism financing or sanctions obligations; or
 - (ii) adverse regulatory action relating to implementation of anti-money laundering, counter-terrorism financing or sanctions obligations; or
 - (iii) an investigation or criminal or civil proceedings relating to money laundering, financing of terrorism or other serious crimes;
- (g) whether the customer of the reporting entity:

- (i) would undertake initial customer due diligence and ongoing customer due diligence in relation to its own customers who would be provided services as part of the nested services relationship; and
- (ii) would be able to provide to the reporting entity, on request, information collected when the customer undertakes initial customer due diligence and ongoing customer due diligence in relation to those customers and the reliable and independent data used to verify the information;
- (h) whether the customer allows shell banks to receive services;
- (i) whether the customer of the reporting entity ensures that it does not provide services to its own customers in circumstances where those customers have a nested service relationship or correspondent banking relationship with a shell bank.

5-25 Ongoing customer due diligence—nested services relationship

- (1) For the purposes of subparagraph 30(2)(b)(iii) of the Act, if the reporting entity provides designated services to a customer as part of a nested services relationship, the reporting entity must review and, where appropriate, update the reporting entity's identification and assessment of the ML/TF risk of the customer no less than once every 2 years.
- (2) For the purposes of subparagraph 30(2)(c)(ii) of the Act, if the reporting entity provides designated services to a customer as part of a nested services relationship, the reporting entity must review and, where appropriate, update and reverify KYC information relating to the customer no less than once every 2 years.
- (3) For the purposes of subparagraph 30(2)(c)(ii) of the Act, the reporting entity must review, and where appropriate, update and reverify KYC information relating to the customer if:
 - (a) the reporting entity commences to provide a designated service to the customer as part of a nested services relationship; and
 - (b) the reporting entity has not previously provided that kind of designated service to the customer as part of such a relationship.

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Part 5 Customer due diligence

Division 7 Reliance on collection and verification of KYC information

Section 5-26

Division 7—Reliance on collection and verification of KYC information

5-26 Requirements for agreement or arrangement on collection and verification of KYC information

- (1) For the purposes of paragraph 37A(1)(b) of the Act, the following requirements are prescribed in relation to an agreement or arrangement of the kind referred to in paragraph 37A(1)(a) of the Act:
 - (a) the other party to the agreement or arrangement must be:
 - (i) a reporting entity; or
 - (ii) a person regulated by one or more laws of a foreign country that give effect to the FATF Recommendations relating to customer due diligence and record-keeping;
 - (b) the agreement or arrangement must be appropriate to the risks of money laundering, financing of terrorism and proliferation financing that the first entity may reasonably face in providing its designated services, taking into account the matters mentioned in subsection (2) of this section;
 - (c) the agreement or arrangement must enable the first entity to obtain all of the KYC information collected by the other person in accordance with paragraph 28(3)(c) of the Act:
 - (i) before the first entity commences to provide a designated service; or
 - (ii) if section 29 of the Act applies to the provision of a designated service—within the period mentioned in paragraph 29(c) of the Act;
 - (d) the agreement or arrangement must enable the first entity to obtain copies of the data used by the other person to verify KYC information in accordance with paragraph 28(3)(d) of the Act immediately or as soon as practicable following a request from the first entity;
 - (e) the agreement or arrangement must document the responsibilities of each party, including responsibilities for record-keeping.
- (2) For the purposes of paragraph (1)(b), the matters are as follows:
 - (a) the nature, size and complexity of the other person's business, including:
 - (i) the products and services offered by the other person, and the delivery channels by which it provides services; and
 - (ii) the kinds of customers that the other person has;
 - (b) the country or countries in which the other person operates or of which the other person is a resident.

5-27 Requirements for reliance on collection and verification of KYC information

For the purposes of paragraph 38(e) of the Act, the following requirements are prescribed:

- (a) the other person must be:
 - (i) a reporting entity; or

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- (ii) a person regulated by one or more laws of a foreign country that give effect to the FATF Recommendations relating to customer due diligence and record-keeping;
- (b) reliance on that procedure must be appropriate to the risks of money laundering, financing of terrorism and proliferation financing that the first entity may reasonably face in providing its designated services, taking into account:
 - (i) the nature, size and complexity of the other person's business; and
 - (ii) the kinds of services provided by the other person; and
 - (iii) the kinds of customers to whom the other person's services are provided; and
 - (iv) the delivery channels by which the other person's services are provided; and
 - (v) the level of the risks of money laundering, financing of terrorism and proliferation financing in the country or countries in which the other person operates or of which the other person is a resident;
- (c) for compliance with paragraph 28(3)(c) of the Act—the first entity has reasonable grounds to believe that it can obtain all of the KYC information collected by the other person in accordance with that paragraph:
 - (i) before the first entity commences to provide a designated service; or
 - (ii) if section 29 of the Act applies to the provision of a designated service—within the period mentioned in paragraph 29(c) of the Act;
- (d) for compliance with paragraph 28(3)(d) of the Act—the first entity has reasonable grounds to believe that it can obtain copies of the data used by the other person to verify KYC information in accordance with that paragraph immediately or as soon as practicable following a request from the first entity;
- (e) the first entity documents the reasons for the first entity concluding that the requirements of paragraphs (b) to (d) of this section are met.

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Part 5 Customer due diligence

Division 8 Keep open notices

Section 5-28

Division 8—Keep open notices

5-28 Senior member of agency—superintendent

For the purposes of subparagraph 39B(3)(c)(iii) of the Act, the position of superintendent of either of the following is prescribed:

- (a) the Australian Federal Police;
- (b) the police force or police service of a State or the Northern Territory.

5-29 Form of keep open notice

For the purposes of paragraph 39B(5)(a) of the Act, Form 1 in Schedule 1 to this instrument is prescribed as the form for a keep open notice.

5-30 Information and documents required to be contained in or to accompany keep open notice

- (1) For the purposes of paragraph 39B(5)(b) of the Act, this section sets out the information required to be contained in, and the documents required to accompany, a keep open notice issued by a senior member of an agency mentioned in subsection 39B(4) of the Act to a reporting entity.
- (2) The keep open notice must contain the following information:
 - (a) the name of the agency;
 - (b) the senior member's full name and position;
 - (c) the full name of the reporting entity;
 - (d) for each customer in relation to whom the keep open notice is issued:
 - (i) the customer's full name; and
 - (ii) the customer's date of birth, or an ACN or ABN of the customer (if known); and
 - (iii) any other known details of the customer that the senior member considers are necessary to provide to assist the reporting entity to identify the customer;
 - (e) a day specified for the purposes of paragraph 39B(6)(a) of the Act as the day on which the notice commences;
 - (f) a declaration by the senior member stating that the senior member reasonably believes that the provision of a designated service by the reporting entity to the customer or customers would assist in the investigation by the agency of a serious offence.

Note: For subparagraph (d)(iii), details that may assist the reporting entity to identify the customer could include:

- (a) the customer's address; and
- (b) bank account details of the customer; and
- (c) the wallet address for the customer's virtual asset holdings.

- (3) The keep open notice must be accompanied by any documents that the senior member considers are necessary to provide to assist the reporting entity to identify the customer or customers.

5-31 Extension notices

For the purposes of subsection 39B(7) of the Act, Form 2 in Schedule 1 to this instrument is prescribed as the form for an extension notice.

5-32 Further extension application

For the purposes of paragraph 39B(8)(b) of the Act, Form 3 in Schedule 1 to this instrument is prescribed as the form of an application to the AUSTRAC CEO for a notice under paragraph 39B(8)(d).

EXPOSURE DRAFT

Part 6 Correspondent banking

Division 1 Due diligence assessment for entry into correspondent banking relationship

Section 6-1

Part 6—Correspondent banking

Division 1—Due diligence assessment for entry into correspondent banking relationship

6-1 Requirements for due diligence assessment

- (1) For the purposes of paragraph 96(1)(a) of the Act, this section sets out requirements for the due diligence assessment to be carried out by a financial institution (the *correspondent*) in relation to an entry into a correspondent banking relationship with another financial institution (the *respondent*) that will involve a vostro account.
- (2) The due diligence assessment required to be carried out is an assessment of the risks of money laundering, financing of terrorism, proliferation financing and other serious crimes associated with the entry into the correspondent banking relationship.
- (3) In carrying out the due diligence assessment, the correspondent must consider the following matters:
 - (a) the ownership, control and management structures of:
 - (i) the respondent; and
 - (ii) the ultimate parent of the respondent (if any);
 - (b) the nature, size, and complexity of the respondent's business, including:
 - (i) the products and services offered by the respondent, and the delivery channels by which it provides services; and
 - (ii) the kinds of customers that the respondent has; and
 - (iii) the kinds of transactions that would be carried out on behalf of the respondent's customers as part of the correspondent banking relationship and the services that would be provided to the respondent's customers that relate to such transactions;
 - (c) the country or countries:
 - (i) in which the respondent operates or of which it is a resident; and
 - (ii) if the ultimate parent of the respondent (if any) has group-wide anti-money laundering and counter-terrorism financing systems and controls, and the respondent operates within the requirements of those controls—in which the ultimate parent operates or of which it is a resident;
 - (d) the existence and quality of any anti-money laundering and counter-terrorism financing regulation and supervision in the country or countries identified under paragraph (c) and the respondent's compliance practices in relation to those regulations;
 - (e) the appropriateness of the respondent's anti-money laundering and counter-terrorism financing systems and controls;
 - (f) publicly available information relating to the reputation of the respondent and the members (if any) of the business group of which the customer is a member that are a remitter, virtual asset service provider or financial

institution, including whether the respondent or any of those members has been the subject of:

- (i) a regulatory investigation relating to implementation of anti-money laundering, counter-terrorism financing or sanctions obligations; or
 - (ii) adverse regulatory action relating to implementation of anti-money laundering, counter-terrorism financing or sanctions obligations; or
 - (iii) an investigation or criminal or civil proceedings relating to money laundering, financing of terrorism or other serious crimes;
- (g) if the correspondent is to maintain vostro accounts that can be accessed directly by the customers of the respondent (*payable-through accounts*)—whether the respondent:
- (i) would undertake initial customer due diligence and ongoing customer due diligence in relation to those customers; and
 - (ii) would be able to provide to the correspondent, on request, information collected when the respondent undertakes initial customer due diligence and ongoing customer due diligence in relation to those customers and the reliable and independent data used to verify the information.

6-2 Matters to which a senior officer must have regard before giving approval

- (1) For the purposes of paragraph 96(1)(b) of the Act, this section sets out the matters that a senior officer of a financial institution (the *correspondent*) must have regard to before approving the entry by the correspondent into a correspondent banking relationship with another financial institution (the *respondent*) that will involve a vostro account.
- (2) The senior officer must have regard to:
 - (a) the risks of money laundering, financing of terrorism, proliferation financing and other serious crimes assessed in the written record of the due diligence assessment carried out in relation to the entry into the correspondent banking relationship; and
 - (b) the appropriateness of the correspondent's AML/CTF program to manage and mitigate those risks.
- (3) If the correspondent is to maintain payable-through accounts, the senior officer must also have regard to the following:
 - (a) whether the senior officer is satisfied that the respondent will undertake initial customer due diligence and ongoing customer due diligence in relation to customers that have access to the payable-through accounts;
 - (b) whether the senior officer is satisfied that the respondent would be able to provide the correspondent, on request, information collected when the respondent undertakes initial customer due diligence and ongoing customer due diligence in relation to the customers that have access to the payable-through accounts and the reliable and independent data used to verify the information.

EXPOSURE DRAFT

Part 6 Correspondent banking

Division 2 Requirements for ongoing due diligence assessments

Section 6-3

Division 2—Requirements for ongoing due diligence assessments

6-3 Requirements for ongoing due diligence assessments

- (1) For the purposes of paragraph 96(3)(a) of the Act, this section sets out the requirements for the due diligence assessments that a financial institution (the **correspondent**) must carry out if it is in a correspondent banking relationship with another financial institution (the **respondent**) that involves a vostro account.
- (2) The due diligence assessments required to be carried out are assessments of the risks of money laundering, financing of terrorism, proliferation financing and other serious crimes associated with the correspondent banking relationship.
- (3) In carrying out the due diligence assessments, the correspondent must consider the matters set out in paragraphs 6-1(3)(a) to (g).

Note: Paragraphs 6-1(3)(a) to (g) set out matters that the correspondent must consider in carrying out a due diligence assessment in relation to an entry into a correspondent banking relationship with the respondent that will involve a vostro account.

6-4 Timing of ongoing due diligence assessments

- (1) For the purposes of paragraph 96(3)(b), this section sets out when a financial institution (the **correspondent**) must carry out due diligence assessments if it is in a correspondent banking relationship with another financial institution that involves a vostro account.
- (2) The correspondent must carry out due diligence assessments:
 - (a) at times determined appropriate by the correspondent, based on consideration of:
 - (i) the level of risk of money laundering, financing of terrorism, proliferation financing and other serious crimes associated with the correspondent banking relationship; and
 - (ii) any material change in respect of those risks; and
 - (b) in any event—at least every 2 years.

Part 7—Transfers of value

Division 1—Ordering institutions and beneficiary institutions

7-1 Determination of who is an *ordering institution*

- (1) For the purposes of subsection 63A(1) of the Act, this section provides for the determination of whether a person is an *ordering institution*.

Note: Subsection 63A(4) of the Act sets out circumstances in which a person is not an *ordering institution*.

- (2) A person is an *ordering institution* if:
- (a) the person accepts an instruction for a transfer of value on behalf of a payer; and
 - (b) the person does so in the course of carrying on a business.
- (3) Circumstances in which a person may be an ordering institution under subsection (2) of this section include the following:
- (a) the person receives the value that is to be transferred from the payer or a person acting on behalf of the payer;
 - (b) the person holds the value to be transferred in an account provided to the payer or otherwise on deposit from the payer (including in a virtual asset wallet);
 - (c) the person is authorised under an arrangement with the payer to transfer the value from a third-party deposit-taker or credit provider;
 - (d) the person arranges for the transfer of value from the payer under an offsetting arrangement with the beneficiary institution.
- (4) To avoid doubt, subsection (3) does not affect the requirement for a person to satisfy subsection (2) to be an ordering institution.

7-2 Determination of who is a *beneficiary institution*

- (1) For the purposes of subsection 63A(5) of the Act, this section provides for the determination of whether a person is a *beneficiary institution*.

Note: Subsection 63A(8) of the Act sets out circumstances in which a person is not a *beneficiary institution*.

- (2) A person is a *beneficiary institution* if:
- (a) the person, in relation to a transfer of value, makes the value transferred available to a payee; and
 - (b) the person does so in the course of carrying on a business.
- (3) Circumstances in which a person may be a beneficiary institution under subsection (2) of this section include the following:
- (a) the person makes the transferred value available to the payee directly, or to a person acting on behalf of the payee;
 - (b) the person makes the transferred value available to the payee by depositing the value into an account held by the payee with the person (including in a

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Part 7 Transfers of value

Division 1 Ordering institutions and beneficiary institutions

Section 7-2

virtual asset wallet), or otherwise holding the value on deposit for the payee;

- (c) the person makes the transferred value available to the payee, under an arrangement with the payee, by depositing the value with a third-party deposit-taker or credit provider;
 - (d) the person arranges for the transferred value to be made available to the payee under an offsetting arrangement with the ordering institution.
- (4) To avoid doubt, subsection (3) does not affect the requirement for a person to satisfy subsection (2) to be a beneficiary institution.

Division 2—Transfers of value

7-3 Obligations of ordering institutions—collecting, verifying and passing on information

If the circumstances mentioned in column 1 of an item in the following table apply in relation to a transfer of value:

- (a) for the purposes of paragraph 64(2)(a) of the Act, the information that the ordering institution must collect is such information as is set out in column 2 of the item; and
- (b) for the purposes of paragraph 64(2)(b) of the Act, the ordering institution must verify such information as is set out in column 3 of the item in accordance with sections 28 and 30 of the Act (as applicable); and
- (c) for the purposes of subsection 64(3) of the Act, the information that the ordering institution must pass on to the next institution in the value transfer chain is such information as is set out in column 4 of the item.

Obligations of ordering institutions—collecting, verifying and passing on information				
Item	Column 1 Circumstances	Column 2 Information to be collected	Column 3 Information to be verified	Column 4 Information to be passed on
1	none of the circumstances mentioned in items 2 to 6 apply	(a) payer information; and (b) payee information	payer information	(a) payer information; and (b) payee information
2	(a) the transfer of value is a domestic transfer of value; and (b) the ordering institution passes on the transfer message for the transfer of value through BECS, BPAY or DEFT	(a) payer information; and (b) payee information	payer information	tracing information
3	(a) the transfer message for the transfer of value contains information relating to multiple transfers of value from a payer; and	(a) payer information; and (b) payee information	payer information	(a) payer information; and (b) for each transfer of value in the transfer message: (i) tracing information; and (ii) payee information

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Part 7 Transfers of value

Division 2 Transfers of value

Section 7-4

Obligations of ordering institutions—collecting, verifying and passing on information				
Item	Column 1 Circumstances	Column 2 Information to be collected	Column 3 Information to be verified	Column 4 Information to be passed on
	(b) the circumstances mentioned in item 2 do not apply			
4	the transfer of value is a card-based pull payment	not applicable	not applicable	card number of the card the payer used in relation to the card-based pull payment
5	the transfer of value is a refund of a card-based pull payment	not applicable	not applicable	card number of the card the payer used in relation to the card-based pull payment that is refunded
6	the value is being transferred to a self-hosted virtual asset wallet	(a) payer information; and (b) payee information	payer information	not applicable

Note 1: For columns 2 and 3 of items 4 and 5 of the table, subsection 7-6(5) provides that paragraphs 64(2)(a) and (b) of the Act do not apply to a transfer of value that is a card-based pull payment.

Note 2: For column 4 of item 6 of the table, subsection 7-6(6) provides that subsection 64(3) of the Act does not apply to a transfer of value if the value is being transferred to a self-hosted virtual asset wallet.

Note 3: Obligations on reporting entities also arise under sections 28 (initial customer due diligence) and 30 (ongoing customer due diligence) of the Act.

7-4 Obligations of beneficiary institutions—monitoring for receipt of information

For the purposes of paragraph 65(2)(a) of the Act, if the circumstances mentioned in column 1 of an item of the following table apply in relation to a transfer of value, the information that the beneficiary institution must take reasonable steps to monitor whether it has received is such information relating to the transfer of value as is set out in column 2 of the item.

Obligations of beneficiary institutions—monitoring for receipt of information		
Item	Column 1 Circumstances	Column 2 Information to monitor
1	none of the circumstances mentioned in items 2 to 7 apply	(a) payer information; and (b) payee information

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Obligations of beneficiary institutions—monitoring for receipt of information		
Item	Column 1 Circumstances	Column 2 Information to monitor
2	(a) the transfer of value is a domestic transfer of value; and (b) the beneficiary institution receives the transfer message for the transfer of value through BECS, BPAY or DEFT	tracing information
3	(a) the transfer message for the transfer of value contains information relating to multiple transfers of value from a payer; and (b) the circumstances mentioned in item 2 do not apply	(a) payer information; and (b) for each transfer of value in the transfer message: (i) tracing information; and (ii) payee information
4	the transfer of value is a card-based pull payment	card number of the card the payer used in relation to the card-based pull payment
5	the transfer of value is a refund of a card-based pull payment	card number of the card the payer used in relation to the card-based pull payment that is refunded
6	(a) the value being transferred is money; and (b) the money is in a foreign country and, as a result of the provision of an international value transfer service, the money will be in Australia; and (c) the beneficiary institution receives the transfer message for the transfer of value through BECS	tracing information
7	the value is transferred from a self-hosted virtual asset wallet	(a) payer information; and (b) payee information

7-5 Obligations of intermediary institutions—monitoring for receipt of information and passing on information

If the circumstances mentioned in column 1 of an item in the following table apply in relation to a transfer of value:

- (a) for the purposes of subsection 66(2) of the Act, the information that an intermediary institution must take reasonable steps to monitor whether it has received is such information relating to the transfer of value as is set out in column 2 of the item; and
- (b) for the purposes of paragraph 66(4)(a) of the Act, the information the intermediary institution must include is such information set out in column 3 of the item as is received from the previous institution in the value transfer chain.

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Division 2 Transfers of value

Section 7-5

Obligations of intermediary institutions—monitoring for receipt of information and passing on information			
Item	Column 1 Circumstances	Column 2 Information to monitor	Column 3 Information to pass on
1	none of the circumstances mentioned in items 2 to 6 apply	(a) payer information; and (b) payee information	(a) payer information, and (b) payee information
2	(a) the transfer of value is a domestic transfer of value; and (b) the transfer message for the transfer of value is passed on through BECS, BPAY or DEFT	tracing information	tracing information
3	(a) the transfer message for the transfer of value contains information relating to multiple transfers of value from a payer; and (b) the circumstances mentioned in item 2 do not apply	(a) payer information, and (b) for each transfer of value in the transfer message: (i) tracing information, and (ii) payee information	(a) payer information, and (b) for each transfer of value in the transfer message: (i) tracing information; and (ii) payee information
4	the transfer of value is a card-based pull payment	card number of the card the payer used in relation to the card-based pull payment	card number of the card the payer used in relation to the card-based pull payment
5	the transfer of value is a refund of a card-based pull payment	card number of the card the payer used in relation to the card-based pull payment that is refunded	card number of the card the payer used in relation to the card-based pull payment that is refunded
6	(a) the value being transferred is money; and (b) the money is in a foreign country and, as a result of the provision of an international value transfer service, the money will be in Australia; and (c) the intermediary institution passes on the transfer message for the transfer of value through BECS	(a) payer information; and (b) payee information	tracing information

Division 3—Transfers of value exemptions

7-6 Transfer of value exemptions

- (1) This section is made for the purposes of paragraph 67(1)(b) of the Act.

Inter-financial institution transfers

- (2) Part 5 of the Act does not apply to a transfer of value if the payer and the payee are:
- (a) financial institutions; and
 - (b) acting on their own behalf.
- (3) Part 5 of the Act does not apply to a transfer of value if:
- (a) the transfer message for the transfer of value is sent using the Society for Worldwide Interbank Financial Telecommunication payment delivery system; and
 - (b) the payer and the payee are:
 - (i) Supervised Financial Institutions within the meaning of the document titled *SWIFT Corporate Rules*, published by the Society for Worldwide Interbank Financial Telecommunications, as existing on the commencement of this instrument; and
 - (ii) acting on their own behalf.

Note: The *SWIFT Corporate Rules* could in 2025 be viewed on the Society for Worldwide Interbank Financial Telecommunications website (<https://www.swift.com>).

Cheques

- (4) Part 5 of the Act does not apply to a transfer of value if:
- (a) the instruction for the transfer of value is given to the ordering institution by way of a cheque; and
 - (b) the cheque is drawn on the ordering institution.

Card-based pull payments

- (5) Paragraphs 64(2)(a) and (b) and (5)(a) of the Act do not apply to a transfer of value if the transfer of value is:
- (a) a card-based pull payment; or
 - (b) a refund of a card-based pull payment.

Transfers to a self-hosted virtual asset wallet

- (6) Subsection 64(3) of the Act and paragraph 64(5)(b) of the Act do not apply to a transfer of value if the value is being transferred to a self-hosted virtual asset wallet.

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Part 7 Transfers of value

Division 4 International value transfer services

Section 7-7

Division 4—International value transfer services

7-7 When value is in a country

For the purposes of subsection 45(2) of the Act, each of the following is a circumstance in which value, in relation to a transfer of value, is *in* a country:

- (a) the payer provides the value to the ordering institution at or through a permanent establishment of the ordering institution in the country;
- (b) the ordering institution holds the value to be transferred in an account provided to the payer or otherwise on deposit for the payer (including in a virtual asset wallet) at or through a permanent establishment of the ordering institution in the country;
- (c) the ordering institution is authorised under an arrangement with the payer to transfer the value from another person at or through a permanent establishment of the other person in the country;
- (d) the ordering institution or beneficiary institution initiates an offsetting arrangement that includes transferring the value within the country;
- (e) the beneficiary institution makes the value available to the payee:
 - (i) at or through a permanent establishment of the beneficiary institution in the country; or
 - (ii) by depositing the value with a person at or through a permanent establishment of the person in the country; or
 - (iii) by depositing the value into an account held by the payee with the beneficiary institution or otherwise holding the value on deposit for the payee (including in a virtual asset wallet) at or through a permanent establishment of the beneficiary institution in the country.

Part 8—Reporting

Division 1—Reports of suspicious matters

8-1 Purpose of this Division

For the purposes of paragraph 41(3)(b) of the Act, this Division sets out the information that must be contained in a report under subsection 41(2) of the Act in relation to a suspicious matter reporting obligation that has arisen for a reporting entity in relation to a person.

8-2 Reports of suspicious matters—general information

- (1) The report must contain the following information:
 - (a) the reporting entity's full name and the identifier assigned to the entity by AUSTRAC;
 - (b) the date the report is given to the AUSTRAC CEO;
 - (c) the date the suspicious matter reporting obligation arose for the reporting entity;
 - (d) whether paragraph 41(2)(aa) of the Act (which deals with the timeframe for giving a report in certain circumstances relating to legal professional privilege) applies in relation to the report;
 - (e) the identifier given by the reporting entity to the report (if any);
 - (f) if the reporting entity considers that a report it has previously given to the AUSTRAC CEO under the Act (the *previous report*) is relevant to the matter—the following information about the previous report:
 - (i) the date the previous report was given to the AUSTRAC CEO;
 - (ii) the identifier given to the previous report by AUSTRAC (if any);
 - (iii) the identifier given by the reporting entity to the previous report (if any).

Information about the individual completing the report

- (2) The report must the following information about the individual completing the report:
 - (a) the individual's full name;
 - (b) the individual's position with the reporting entity;
 - (c) the individual's contact details.

Information about an individual with information about the formation of the suspicion

- (3) The report must contain the following information about an individual who can provide information about the reporting entity forming the suspicion mentioned in any of paragraphs 41(1)(d) to (j) that apply to the matter:
 - (a) the individual's full name;
 - (b) the individual's position with the reporting entity;
 - (c) the individual's contact details.

EXPOSURE DRAFT

Part 8 Reporting

Division 1 Reports of suspicious matters

Section 8-3

Information about report to Commonwealth, State or Territory agencies

- (4) If the matter has been reported to a Commonwealth, State or Territory agency, the report must include the following information:
- (a) the name of the agency;
 - (b) the part of, or unit in, the agency the matter was reported to (to the extent that the information is known);
 - (c) the identifier given to the matter by the agency (if any);
 - (d) the full name and contact details of an individual at the agency who can be contacted in relation to the report made to the agency (to the extent that the information is known);
 - (e) a description of the information about the matter provided to the agency;
 - (f) the date the matter was reported to the agency.

8-3 Reports of suspicious matters—information about the person in relation to whom the suspicious matter reporting obligation arose for the reporting entity

Information about the person—individual

- (1) If the person in relation to whom the suspicious matter reporting obligation arose for the reporting entity is an individual, the report must contain the following information (as applicable and to the extent that the information is known):
- (a) the person's full name;
 - (b) other names used by the person (such as a nickname, former name or business name);
 - (c) the person's date of birth;
 - (d) the person's place of birth;
 - (e) the person's gender;
 - (f) the country or countries of which the person is a citizen;
 - (g) the country or countries the person is treated as being a resident of for the purposes of that country's tax laws;
 - (h) the person's residential address;
 - (i) the person's business addresses and postal addresses;
 - (j) the person's telephone number;
 - (k) the person's email address;
 - (l) information on the person's occupation, business or principal activity;
 - (m) a unique identifier for the person;
 - (n) a description of the reliable and independent data used by the reporting entity to verify KYC information relating to the person in accordance with paragraph 28(3)(d) of the Act;
 - (o) a reference number associated with the person provided by an accredited entity (within the meaning of the *Digital ID Act 2024*) in the course of verifying KYC information relating to the person in accordance with paragraph 28(3)(d) of the Act;
 - (p) if the person's identity cannot be established by the reporting entity—the following information:

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- (i) a description of the person;
- (ii) whether any still or moving image or any recording of the person is held by the reporting entity;
- (q) information on the person's involvement in the matter.

Information about the person—non-individual

- (2) If the person in relation to whom the suspicious matter reporting obligation arose for the reporting entity is not an individual, the report must contain the following information (as applicable and to the extent that the information is known):
- (a) the person's full name;
 - (b) other names used by the person (such as a business name);
 - (c) the country or countries in which the person was incorporated, formed or registered;
 - (d) the country or countries the person is treated as being a resident of for the purposes of that country's tax laws;
 - (e) the address of the person's registered office;
 - (f) the address at which the person's business or principal activity is conducted;
 - (g) the person's postal address;
 - (h) the person's telephone number;
 - (i) the person's email address;
 - (j) information on the person's business or principal activity;
 - (k) information about the legal form of the person (such as a partnership, company or trust);
 - (l) the full names of the person's beneficial owners;
 - (m) if the person is a body corporate—the full name, and director identification number (within the meaning of the *Corporations Act 2001*) (if any), of each eligible officer (within the meaning of that Act) of the person;
 - (n) if the person is an express trust, the following information:
 - (i) the kind of trust (such as discretionary trust, bare trust or unit trust);
 - (ii) the full name of the trustee;
 - (iii) the full name of any settlor, appointor, guardian or protector of the trust;
 - (iv) the full names of the beneficiaries of the trust, or if it is not possible to identify each beneficiary because of the nature of the trust, a description of each class of beneficiary;
 - (o) a unique identifier for the person;
 - (p) a description of the reliable and independent data used by the reporting entity to verify KYC information relating to the person in accordance with paragraph 28(3)(d) of the Act;
 - (q) information on the person's involvement in the matter.

Information about authorised persons

- (3) If a person involved in the matter is authorised to act on behalf of another person in relation to the provision or proposed provision of the designated service to

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which the matter relates, the report must contain the following information (to the extent that the information is known):

- (a) whether the authorised person is a customer of the reporting entity;
- (b) a description of the relationship between the authorised person and that other person;
- (c) a description of the authority for the authorised person to act on behalf of that other person;
- (d) the information about the identity of the authorised person that would be required by subsections (1) or (2) if the authorised person were the person in relation to whom the suspicious matter reporting obligation arose for the reporting entity.

8-4 Reports of suspicious matters—information about the matter

- (1) The report must contain the following information about the matter:
 - (a) a description of the circumstances in paragraphs 41(1)(a) to (c) of the Act that apply to the matter;
 - (b) a description of the conditions in paragraphs 41(1)(d) to (j) of the Act that are satisfied in respect of the matter;
 - (c) the date any of the following circumstances occurred in relation to the matter:
 - (i) if paragraph 41(1)(a) of the Act applies in relation to the matter—the reporting entity commenced to provide, or proposed to provide, the designated service to the first person;
 - (ii) if paragraph 41(1)(b) of the Act applies in relation to the matter—the first person requested the reporting entity to provide the designated service to the first person;
 - (iii) if paragraph 41(1)(c) of the Act applies in relation to the matter—the first person inquired of the reporting entity whether the reporting entity would be willing or prepared to provide the designated service to the first person;
 - (d) if the conditions in subparagraph 41(1)(f)(iii) of the Act are satisfied in respect of the matter—information on the offence against a law of the Commonwealth or of a State or Territory that is relevant to the matter;
 - (e) any addresses or locations that are relevant to the matter;
 - (f) the reporting entity's reference number relating to the provision or proposed provision of the designated service to which the matter relates.

Information about designated services

- (2) The report must contain a description of each designated service that relates to the matter.

Information about an account

- (3) If the matter involves an account provided by the reporting entity or another person, the report must contain the following information about the account (as applicable and to the extent that the information is known):
 - (a) the full name of the person providing the account;

- (b) the full name of each account holder;
- (c) the kind of account (such as a savings account, loan account or credit card account);
- (d) the unique identification details assigned to the account (such as the BSB and account number);
- (e) the full name of each signatory to the account;
- (f) the date the account was opened;
- (g) the balance of the account on dates relevant to the matter.

Information about transactions

- (4) If the matter involves transactions, the report must contain the following information about each transaction (as applicable and to the extent that the information is known):
 - (a) a description of the transaction;
 - (b) the value associated with the transaction (in Australian dollars or a foreign currency as appropriate);
 - (c) if the transaction involved foreign currency—the kind and amount of the foreign currency involved and the exchange rate used;
 - (d) if the transaction involves products or instruments—the following information:
 - (i) a description of the products or instruments;
 - (ii) the value of the products or instruments (in Australian dollars or a foreign currency as appropriate);
 - (iii) the full name of the payer or transferor of the products or instruments;
 - (vi) where the issuer of the products or instruments is not the reporting entity—the full name of the issuer and the address or location where the products or instruments were issued;
 - (e) the full name of the payee or transferee;
 - (f) the full name of the beneficiary of the transaction, if different from the payee or transferee;
 - (g) the date and time (including time zone) when the transaction took place;
 - (h) if the transaction is a transfer of value—the following information:
 - (i) the value of the money, virtual assets or property that is the subject of the transfer of value (in Australian dollars or a foreign currency as appropriate);
 - (ii) a unique transaction reference number.

Note: Examples of products and instruments include the following:

- (a) a cheque or travellers cheque;
- (b) a stored value card;
- (c) a precious metal;
- (d) a gaming chip or token.

Information about transfers of property

- (5) If the matter involves a transfer of property, the report must contain the following information about the transfer (as applicable and to the extent that the information is known):

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- (a) any unique reference number applicable to the transfer provided by the reporting entity or another person;
- (b) the value of the property (in Australian dollars or a foreign currency as appropriate);
- (c) the full names of all persons involved in the transfer;
- (d) details of the property, including any unique identification details for the property.

Note: Examples of a unique identification details include:

- (a) for real estate—the plan and lot numbers for the real estate; and
- (b) for bullion—the serial number on the bullion.

Information about virtual assets

- (6) If the matter involves virtual assets, the report must contain the following information about the virtual assets (as applicable and to the extent that the information is known):
 - (a) information on the kind of virtual assets, including details of the backing asset (if any);
 - (b) the number of virtual asset units;
 - (c) the value of the virtual assets in Australian dollars;
 - (d) the exchange rate used in determining the value;
 - (e) the unique transaction reference number, including a transaction hash;
 - (f) the virtual asset wallet address, including destination tag or memo details.

Information about another person providing a designated service

- (7) If a person other than the reporting entity provided or proposed to provide a designated service that relates to the matter, the report must contain the following information about the person (to the extent that the information is known):
 - (a) the full name of the person;
 - (b) the address or location where the person provided or proposed to provide a designated service that relates to the matter;
 - (c) the kind of designated service provided or proposed to be provided by the person.

Information about online activity

- (8) If the matter involves online activity by any person involved in the matter, including for the purpose of providing a designated service, the report must contain the following information about the online activity (as applicable and to the extent that the information is known):
 - (a) unique network identification numbers for the networks used by the person, such as an Internet Protocol (IP) address;
 - (b) the date and time (including time zone) that online activity was recorded occurring, if different from the date and time when a transaction took place as reported under subsection (4);
 - (c) unique identification numbers for the relevant devices involved, such as an International Mobile Equipment Identity (IMEI);
 - (d) a description of the software or application being used by the person;

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- (e) the full name used by the person for the purposes of the software or application.

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Division 2—Reports of threshold transactions

8-5 Purpose of this Division

For the purposes of paragraph 43(3)(b) of the Act, this Division sets out the information that must be contained in a report made by a reporting entity under subsection 43(2) of the Act in relation to a threshold transaction.

8-6 Reports of threshold transactions—general information

- (1) The report must contain the following information:
 - (a) the reporting entity's full name and the identifier assigned to the entity by AUSTRAC;
 - (b) the date the report is given to the AUSTRAC CEO.
- (2) The report must contain the following information about the individual completing the report:
 - (a) the individual's full name;
 - (b) the individual's position with the reporting entity;
 - (c) the individual's contact details.

8-7 Reports of threshold transactions—information about the customer and other persons

Information about individual customer

- (1) If the customer to whom the service was provided is an individual, the report must contain the following information (as applicable and to the extent that the information is known):
 - (a) the customer's full name;
 - (b) other names used by the customer (such as a nickname, former name or business name);
 - (c) the customer's date of birth;
 - (d) the customer's place of birth;
 - (e) the customer's gender;
 - (f) the country or countries of which the customer is a citizen;
 - (g) the country or countries the customer is treated as being a resident of for the purposes of that country's tax laws.
 - (h) the customer's residential address;
 - (i) the customer's business addresses and postal addresses;
 - (j) the customer's telephone number;
 - (k) the customer's email address;
 - (l) information on the customer's occupation, business or principal activity;
 - (m) a unique identifier for the customer;
 - (n) a description of the reliable and independent data used by the reporting entity to verify KYC information relating to the customer in accordance with paragraph 28(3)(d) of the Act;

- (o) a reference number associated with the customer provided by an accredited entity (within the meaning of the *Digital ID Act 2024*) in the course of verifying KYC information relating to the customer in accordance with paragraph 28(3)(d) of the Act.

Information about non-individual customer

- (2) If the customer to whom the service was provided is not an individual, the report must contain the following information (as applicable and to the extent that the information is known):
 - (a) the customer's full name;
 - (b) other names used by the customer (such as a business name);
 - (c) the country or countries in which the customer was incorporated, formed or registered;
 - (d) the country or countries the customer is treated as being a resident of for the purposes of that country's tax laws;
 - (e) the address of the customer's registered office;
 - (f) the address at which the customer's business or principal activity is conducted;
 - (g) the customer's postal address;
 - (h) the customer's telephone number;
 - (i) the customer's email address;
 - (j) information on the customer's business or principal activity;
 - (k) information about the legal form of the customer (such as a partnership, company or trust);
 - (l) the full names of the customer's beneficial owners;
 - (m) if the customer is a body corporate—the full name and director identification number (within the meaning of the *Corporations Act 2001*) (if any) of each eligible officer (within the meaning of the *Corporations Act 2001*) of the customer;
 - (n) if the customer is an express trust, the following information:
 - (i) the kind of trust (such as discretionary trust, bare trust, or unit trust);
 - (ii) the full name of the trustee;
 - (iii) the full name of any settlor, appointor, guardian or protector of the trust;
 - (iv) the full names of the beneficiaries of the trust, or if it is not possible to identify each beneficiary because of the nature of the trust, a description of each class of beneficiary;
 - (o) a unique identifier for the customer;
 - (p) a description of the reliable and independent data used by the reporting entity to verify KYC information relating to the customer in accordance with paragraph 28(3)(d) of the Act.

Information about other persons

- (3) The report must contain the same information (as applicable and to the extent known) about the identity of the transferor or transferee in the transaction, other

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than the customer, that would be required by subsection (1) or (2) if the transferor or transferee were the customer.

- (4) If the customer received the designated service on behalf of another person, the report must contain the same information about the identity of the other person that would be required by subsection (1) or (2) if the other person were the customer.
- (5) If the customer was represented in relation to the provision of the designated service by another person authorised to act on behalf of the customer, the report must (subject to subsections (6) and (7)) contain the following information:
 - (a) a description of the relationship between the person and the customer;
 - (b) a description of the authority for the person to act on behalf of the customer;
 - (c) the information about the identity of the person that would be required by subsection (1) or (2) if the person were the customer.
- (6) Subsection (5) does not apply if the customer was represented by a person in either of the following circumstances:
 - (a) the threshold transaction was a deposit in circumstances where there was no personal contact (such as using an automated teller machine or express deposit facility);
 - (b) the person was acting in the course of a business of collecting, holding or delivering physical currency (such as payroll or cash courier services, but not including collection of donations for a registered charity).
- (7) If subsection (5) does not apply because the designated service occurred in the circumstances mentioned in paragraph (6)(a) or (b), the report must contain a statement as to the circumstances of the designated service.

8-8 Reports of threshold transactions—information about the transaction

Standard information

- (1) The report must contain the following information about the threshold transaction:
 - (a) the date and time (including time zone) when the transaction took place;
 - (b) the address or location where the transaction took place;
 - (c) a description of the purpose of the transaction (to the extent known);
 - (d) the kind of designated service that was provided and that involved the transaction;
 - (e) the reporting entity's reference number relating to the provision of the designated service that involved the transaction (including but not limited to a transaction reference number);
 - (f) the value, in Australian dollars, of the physical currency involved in the transaction;
 - (g) if the transaction involves foreign currency—the kind and amount of the foreign currency involved and the exchange rate used.

Information about an account

- (2) If the threshold transaction involves an account provided by the reporting entity or another person, the report must contain the following information about the account (as applicable and to the extent the information is known):
- (a) the name of the person providing the account;
 - (b) the full name of each account holder;
 - (c) the kind of account (such as a savings accounts, loan account or credit card account);
 - (d) the unique identification details assigned to the account (such as the BSB and account number);
 - (e) the full name of each signatory to the account;
 - (f) the date the account was opened.

Information about products or instruments

- (3) If the threshold transaction involves products or instruments, the report must contain a description of the products or instruments and their value (in Australian dollars or a foreign currency as appropriate).

Note: Examples of products and instruments include the following:

- (a) a cheque or travellers cheque;
- (b) a stored value card;
- (c) a precious metal;
- (d) a gaming chip or token.

Information about transfers of property

- (4) If the threshold transaction relates to a transfer of property, the report must contain the following information about the transfer (as applicable and to the extent that the information is known):
- (a) any unique reference number applicable to the transfer provided by the reporting entity or another person;
 - (b) the value of the property (in Australian dollars or a foreign currency as appropriate);
 - (c) details of the property, including any unique identification details for the property.

Note: Examples of unique identification details include:

- (a) for real estate—the plan and lot numbers for the real estate; and
- (b) for bullion—the serial number on the bullion.

Information about virtual assets

- (5) If the threshold transaction relates to virtual assets, the report must contain the following information about the virtual assets (as applicable and to the extent that the information is known):
- (a) information on the kind of virtual assets, including details of the backing asset (if any);
 - (b) the number of virtual asset units;
 - (c) the value of the virtual assets in Australian dollars;

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- (d) the exchange rate used in determining the value;
- (e) the unique transaction reference number, including a transaction hash;
- (f) the virtual asset wallet address, including destination tag or memo details.

Information about another person providing a designated service

- (6) If the threshold transaction relates to a person other than the reporting entity providing a designated service, the report must contain the following information about the person:
 - (a) the full name of the person;
 - (b) the address or location where the person was involved in the provision of the designated service;
 - (c) the kind of designated service provided by the person.

Information about online activity

- (7) If the threshold transaction relates to the provision of a designated service online, the report must contain the following information about the online activity (as applicable and to the extent that the information is known):
 - (a) unique network identification numbers for the networks used by the customer, such as an Internet Protocol (IP) address;
 - (b) the date and time (including time zone) that online activity was recorded occurring, if different from the date and time when the transaction took place as reported under subsection (1);
 - (c) unique identification numbers for the relevant devices involved, such as an International Mobile Equipment Identity (IMEI);
 - (d) a description of the software or application being used by the customer;
 - (e) the full name used by the customer for the purposes of the software or application.

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Division 3—International value transfer reports [to be drafted]

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Division 4 AML/CTF compliance reports

Section 8-9

Division 4—AML/CTF compliance reports

8-9 Reporting and lodgement periods for AML/CTF compliance reports

For the purposes of section 47 of the Act:

- (a) each calendar year is a reporting period; and
- (b) the period of 3 months beginning at the end of each reporting period is the lodgement period for that reporting period.

Division 5—Registered remittance affiliates

8-10 Reporting obligations of registered remittance affiliates

- (1) This section is made for the purposes of section 49A of the Act.

Reports of suspicious matters

- (2) An obligation imposed by subsection 41(2) of the Act (which deals with reports of suspicious matters) upon a registered remittance affiliate of a registered remittance network provider to give a report may be discharged by the network provider if there is a written agreement between the affiliate and the network provider that provides for the network provider to do so.

Reports of threshold transactions or international funds transfer instructions

- (3) An obligation imposed by subsection 43(2) (which deals with reports of threshold transaction) or 45(2) (which deals with reports of international funds transfer instructions) of the Act upon a registered remittance affiliate of a registered remittance network provider to give a report is taken instead to be an obligation imposed on the network provider.

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Part 8 Reporting

Division 6 Cross-border movement reports

Section 8-11

Division 6—Cross-border movement reports

8-11 Purpose of this Division

This Division is made for the purposes of the following provisions of the Act:

- (a) paragraph 53(7)(b);
- (b) paragraph 53(7)(d);
- (c) paragraph 54(4)(b);
- (d) paragraph 61(1)(b);
- (e) paragraph 61(2)(b).

8-12 Reports about moving monetary instruments into or out of Australia

- (1) If a person moves a monetary instrument into or out of Australia, a report under section 53 of the Act (reports about movements of monetary instruments into or out of Australia) must:
- (a) contain the information specified in subsection (2) (to the extent the information is known); and
 - (b) be given in accordance with the applicable timing rule specified in subsection (3).

Note: The report must also be given in the approved form (see paragraph 53(7)(a) of the Act).

- (2) For the purposes of paragraph (1)(a), the information is as follows:
- (a) if the person is an individual:
 - (i) the person's full name; and
 - (ii) the person's date and place of birth; and
 - (iii) the country or countries of which the person is a citizen; and
 - (iv) the person's residential address; and
 - (v) the person's telephone number; and
 - (vi) whether the person is an Australian resident; and
 - (vii) if the person is bringing the monetary instrument into Australia and is not an Australian resident—the person's address and telephone number while in Australia; and
 - (viii) the person's occupation, business or principal activity; and
 - (ix) the person's ABN (if any);
 - (b) if the person is not an individual:
 - (i) the person's full name; and
 - (ii) the person's business or principal activity; and
 - (iii) the address at which the person's business or principal activity is conducted; and
 - (iv) the person's telephone number; and
 - (v) if the person is registered in Australia—the person's ABN, ACN and ARBN (as applicable);
 - (c) if the person is moving the monetary instrument on behalf of another person (the *other person*)—the following details of the other person:

- (i) if the other person is an individual—the details mentioned in subparagraphs (a)(i), (iv), (v), (viii) and (ix);
 - (ii) if the other person is not an individual—the details mentioned in subparagraphs (b)(i) to (v);
- (d) if the person is delivering the monetary instrument to another person (the ***other person***)—the following details of the other person:
 - (i) if the other person is an individual—the details mentioned in subparagraphs (a)(i), (iv), (v), (viii) and (ix);
 - (ii) if the other person is not an individual—the details mentioned in subparagraphs (b)(i) to (v);
- (e) whether the monetary instrument is being moved into or out of Australia;
- (f) the kind of monetary instrument being moved into or out of Australia;
- (g) the monetary instrument amount being moved into or out of Australia;
- (h) the currency of the monetary instrument being moved into or out of Australia;
- (i) if the monetary instrument is a bearer negotiable instrument:
 - (i) the issuer or drawer of the monetary instrument; and
 - (ii) the payee, favouree or beneficiary of the monetary instrument; and
 - (iii) the full name of the bearer of the monetary instrument; and
 - (iv) the city and country of issue of the monetary instrument; and
 - (v) any reference numbers of the monetary instrument;
- (j) if the person is an individual and is bringing the monetary instrument into Australia or taking the instrument out of Australia:
 - (i) whether the person is travelling into or out of Australia; and
 - (ii) the town or city at which the person is entering or leaving Australia; and
 - (iii) the person's date of arrival in or departure from Australia; and
 - (iv) the number and country of issue of the passport on which the person is travelling; and
 - (v) where practicable—the number of each other passport held by the person and the country of issue for each passport; and
 - (vi) the number of the flight or name of the vessel on which the person is bringing in or taking out the instrument; and
 - (vii) if the person is taking the monetary instrument out of Australia—the city and country to which the monetary instrument is being taken; and
 - (viii) if the person is bringing the monetary instrument into Australia—the city and country from which the monetary instrument is being brought;
- (k) if the monetary instrument is being sent into or out of Australia:
 - (i) the means by which the monetary instrument is being sent; and
 - (ii) the full name, address and telephone number of the individual or service provider carrying the monetary instrument into or out of Australia; and
 - (iii) if the monetary instrument is to be shipped—the name of the vessel on which it is to be shipped; and

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- (iv) the city and country from which the monetary instrument is being sent; and
 - (v) the city and country to which the monetary instrument is being sent; and
 - (vi) the date the monetary instrument is being sent;
 - (l) if the monetary instrument is being sent into or out of Australia—the following details of the person to whom the monetary instrument is being sent:
 - (i) the person's full name;
 - (ii) the person's telephone number;
 - (iii) if the person is an individual—the person's residential address;
 - (iv) if the person is not an individual—the address at which the person's business or principal activity is conducted;
 - (v) if the person is not an individual and is registered in Australia—the person's ABN, ACN and ARBN (as applicable);
 - (m) a declaration that the information provided in the approved form is true and correct.
- (3) For the purposes of paragraph (1)(b):
- (a) if the person moves a monetary instrument into Australia by bringing the instrument into Australia—the report must be given:
 - (i) no later than when the person reaches the place at which customs officers examine baggage; or
 - (ii) if there is no such place, at the first opportunity that the person has to give the report after arrival in Australia; and
 - (b) if the person moves a monetary instrument into Australia by sending the instrument into Australia—the report must be given before the movement of the instrument takes place; and
 - (c) if the person moves a monetary instrument out of Australia by taking the instrument out of Australia—the report must be given:
 - (i) no later than when the person reaches the customs officer who is to examine the person's passport in relation to the person leaving Australia; or
 - (ii) if there is no such examination, at any time before the last opportunity that the person has to give the report before leaving Australia; and
 - (d) if the person (the **first person**) moves a monetary instrument out of Australia by sending the instrument out of Australia by consignment, either through the post to a place outside Australia or to another person for carriage to a place outside Australia—the report must be given before the time when the instrument is irrevocably committed by the first person to a postal service or to the other person (as the case may be).

8-13 Reports about receiving monetary instruments moved into Australia

If a person receives a monetary instrument moved into Australia, a report under section 54 of the Act (reports about receipts of monetary instruments moved into Australia) must contain the following information (to the extent the information is known):

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- (a) if the person is an individual—the details mentioned in subparagraphs 8-12(2)(a)(i) to (ix);
- (b) if the person is not an individual—the details mentioned in subparagraphs 8-12(2)(b)(i) to (v);
- (c) if the person received the monetary instrument on behalf of another person (the **other person**)—the following details of the other person:
 - (i) if the other person is an individual—the details mentioned in subparagraphs 8-12(2)(a)(i), (iv), (v), (viii) and (ix);
 - (ii) if the other person is not an individual—the details mentioned in subparagraphs 8-12(2)(b)(i) to (v);
- (d) if the person is delivering the monetary instrument to another person (the **other person**)—the following details of the other person:
 - (i) if the other person is an individual—the details mentioned in subparagraphs 8-12(2)(a)(i), (iv), (v), (viii) and (ix);
 - (ii) if the other person is not an individual—the details mentioned in subparagraphs 8-12(2)(b)(i) to (v);
- (e) the kind of monetary instrument moved into Australia;
- (f) the monetary instrument amount moved into Australia;
- (g) the currency of the monetary instrument;
- (h) if the monetary instrument is a bearer negotiable instrument:
 - (i) the issuer or drawer of the monetary instrument; and
 - (ii) the payee, favouree or beneficiary of the monetary instrument; and
 - (iii) the full name of the bearer of the monetary instrument; and
 - (iv) the city and country of issue of the monetary instrument; and
 - (v) any reference numbers of the monetary instrument;
- (i) the means by which the monetary instrument was moved into Australia;
- (j) the full name of the individual or service provider who moved the monetary instrument into Australia;
- (k) if the monetary instrument was sent into Australia—the following details of the person who sent the monetary instrument (the **sender**) to the person:
 - (i) the sender's full name;
 - (ii) the sender's telephone number;
 - (iii) if the sender is an individual—the sender's residential address;
 - (iv) if the sender is not an individual—the address at which the sender's business or principal activity is conducted;
 - (v) if the sender is not an individual and is registered in Australia—the sender's ABN, ACN and ARBN (as applicable);
- (l) the city and country from which the monetary instrument was moved;
- (m) the city, town or port in which the monetary instrument was received by the person;
- (n) the date the monetary instrument was received by the person;
- (o) a declaration that the information provided in the approved form is true and correct.

Note: The report must be given in the approved form before the end of 5 business days beginning on the day of receipt (see paragraphs 54(4)(a) and (d) of the Act).

EXPOSURE DRAFT

Part 8 Reporting

Division 6 Cross-border movement reports

Section 8-14

8-14 Affixing of notices about cross-border movement reporting obligations

- (1) This section applies to a written notice that relates to reporting obligations under Part 4 of the Act (reports about cross-border movements of monetary instruments).
- (2) The written notice:
 - (a) must be in one of the following forms:
 - (i) a self-standing sign;
 - (ii) a digital or electronic sign;
 - (iii) a sign in any other material form; and
 - (b) must contain the following content (with or without the inclusion of any other words):

Australian Government
Australian Transaction Reports and Analysis Centre
Carrying \$10,000 or more into or out of Australia?
You must report: cash, traveller's cheques, cheques, money orders, or other bearer negotiable instruments
These are monetary instruments. By law you must report the movement of monetary instruments if the sum of the monetary instrument amount is AUD\$10,000 or more (or foreign currency equivalent). Note there is no limit to the sum of monetary instruments amounts you can carry in and out of Australia.
- (3) The written notice may be affixed at:
 - (a) any port, airport, wharf, or boarding station that is appointed under section 15 of the *Customs Act 1901*; or
 - (b) a place to which section 234AA of the *Customs Act 1901* applies that is not a place, or a part of a place, referred to in paragraph (a).

Part 9—Secrecy and access

9-1 Disclosure of AUSTRAC information to foreign countries or agencies

For the purposes of paragraph 127(2)(a) of the Act, the following Commonwealth, State or Territory agencies are prescribed:

- (a) the Attorney-General's Department;
- (b) the Foreign Affairs Department;
- (c) the Home Affairs Department;
- (d) that part of the Defence Department known as the Australian Geospatial-Intelligence Organisation, and includes any part of the Defence Force that performs functions on behalf of that part of the Department;
- (e) that part of the Defence Department known as the Defence Intelligence Organisation, and includes any part of the Defence Force that performs functions on behalf of that part of the Department;
- (f) the Australian Crime Commission;
- (g) the Australian Federal Police;
- (h) the Australian Prudential Regulation Authority;
- (i) the Australian Secret Intelligence Service;
- (j) the Australian Securities and Investments Commission;
- (k) the Australian Security Intelligence Organisation;
- (l) the Australian Signals Directorate;
- (m) the Australian Taxation Office;
- (n) the National Anti-Corruption Commission;
- (o) the Office of National Intelligence.

Part 10—Other matters

10-1 False or misleading information

For the purposes of subparagraphs 136(1)(c)(ii) and 137(1)(c)(ii) of the Act, sections 136 and 137 of the Act (which deal with giving or producing false or misleading information or documents) apply in relation to a provision of this instrument in the following:

- (a) Part 2 (enrolment);
- (b) Part 3 (registration);
- (c) Part 5 (customer due diligence);
- (d) Part 7 (transfers of value);
- (e) Part 8 (reporting).

10-2 Conditions for discharge of obligations by members of a reporting group

For the purposes of paragraph 236B(5)(c) of the Act, it is a condition for discharging an obligation imposed on a reporting entity that is a member of a reporting group that the reporting group has a lead entity.

10-3 Discharge of obligations by members of a reporting group that are not reporting entities

- (1) For the purposes of paragraph 236B(5)(c) of the Act, this section specifies conditions that apply when the member of the reporting group (the ***discharging member***) that is to discharge an obligation of a reporting is not itself a reporting entity.
- (2) The discharging member must have undertaken due diligence, in relation to persons who are employed or otherwise engaged and who perform functions relevant to discharging the obligation, that satisfies the requirements of the AML/CTF policies of the reporting entity included for the purposes of paragraph 26F(4)(d) of the Act.
- (3) The discharging member must have provided training to those persons that satisfies the requirements of the AML/CTF policies of the reporting entity included for the purposes of paragraph 26F(4)(e) of the Act.

EXPOSURE DRAFT

Application, saving and transitional provisions [to be drafted] **Part 11**

Section 10-3

Part 11—Application, saving and transitional provisions [to be drafted]

EXPOSURE DRAFT

Schedule 1 Forms

Form 1 Keep open notice

Schedule 1—Forms

Note: See sections 5-29 to 5-32.

Form 1—Keep open notice

KEEP OPEN NOTICE

Subsection 39B(1) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

Explanation of this notice

- 1 This keep open notice (Notice) is issued pursuant to subsection 39B(1) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act).
- 2 A senior member of the kind listed in subsection 39B(3) of the AML/CTF Act reasonably believes that the provision of a designated service by the reporting entity to whom this Notice is issued to the customer(s) specified in this Notice would assist in the investigation by the agency of a serious offence.
- 3 Pursuant to subsection 39A(2) of the AML/CTF Act, the reporting entity is exempt from section 26G, 28 or 30 of the AML/CTF Act in respect of the provision of a designated service to a customer specified in this Notice to the extent that the reporting entity reasonably believes that compliance with that section would or could reasonably be expected to alert the customer to the existence of a criminal investigation.
- 4 If the exemption referred to in paragraph 3 applies in relation to the provision by the reporting entity of a designated service to the customer, section 139 of the AML/CTF Act (providing a designated service using a false customer name or customer anonymity) does not apply in relation to the provision by the reporting entity of that designated service to the customer.
- 5 This Notice remains in force for the period starting on the commencement date specified in this Notice (Commencement Date) and ending on the earlier of the following:
 - (a) the day that is 6 months after the Commencement Date;
 - (b) the day that the agency that issued the Notice notifies the reporting entity and the AUSTRAC CEO that the relevant investigation has ended.
- 6 The AUSTRAC CEO has been sent a copy of this Notice.
- 7 This Notice does not compel a reporting entity to provide a designated service to the customer specified in this Notice.
- 8 A suspicious matter reporting obligation does not arise for a reporting entity in relation to a customer upon the receipt of this Notice. However, a suspicious matter reporting obligation may otherwise arise for the reporting entity in relation to the customer in accordance with section 41 of the AML/CTF Act.

Full name of reporting entity to whom this Notice is issued

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Commencement date of this Notice

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EXPOSURE DRAFT

Forms **Schedule 1**

Keep open notice **Form 1**

Details of the customer(s) to whom this Notice applies		
Full name of customer(s)	Date of birth or Australian Business Number/Australian Company Number (if known)	Additional details of customer(s) to whom this Notice applies (if known)

Do any attachments accompany this Notice?	
<input type="checkbox"/> No	
<input type="checkbox"/> Yes	<input type="checkbox"/> Number of attachments

Details of senior member	
Full name	
Position	
Agency	

Declaration

I am the senior member specified above and reasonably believe that the provision of a designated service by the reporting entity to the customer(s) specified in this Notice would assist in the investigation by the agency of a serious offence.

Signed

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Date

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EXPOSURE DRAFT

EXPOSURE DRAFT

Schedule 1 Forms

Form 2 Extension notice

Form 2—Extension notice

KEEP OPEN NOTICE—EXTENSION NOTICE

Subsection 39B(7) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

Explanation of this notice

- 1 This extension notice is issued pursuant to subsection 39B(7) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act).
- 2 This extension notice extends the period that a keep open notice remains in force for a further period of 6 months.
- 3 This extension notice must be issued to the reporting entity to whom the keep open notice was issued before the expiry of the keep open notice.
- 4 A senior member of the kind listed in subsection 39B(3) of the AML/CTF Act reasonably believes that the continued provision of a designated service by the reporting entity to the customer(s) specified in the keep open notice would assist in the investigation by the agency of a serious offence.
- 5 Pursuant to subsection 39A(2) of the AML/CTF Act, the reporting entity continues to be exempt from section 26G, 28 or 30 of the AML/CTF Act in respect of the continued provision of a designated service to a customer specified in the keep open notice to the extent that the reporting entity reasonably believes that compliance with that section would or could reasonably be expected to alert the customer to the existence of a criminal investigation.
- 6 If the exemption referred to in paragraph 5 applies in relation to the continued provision by the reporting entity of a designated service to the customer, section 139 of the AML/CTF Act (providing a designated service using a false customer name or customer anonymity) does not apply in relation to the continued provision by the reporting entity of that designated service to the customer.
- 7 The AUSTRAC CEO has been sent a copy of this extension notice.
- 8 This extension notice does not compel the reporting entity to continue to provide a designated service to a customer specified in this extension notice
- 9 A suspicious matter reporting obligation does not arise for a reporting entity in relation to a customer upon the receipt of this extension notice. However, a suspicious matter reporting obligation may otherwise arise for the reporting entity in relation to the customer in accordance with section 41 of the AML/CTF Act.
- 10 The period for which the keep open notice remains in force may be extended for a further period of 6 months if a senior member of the issuing agency issues an extension notice under subsection 39B(7) of the AML/CTF Act.

Full name of reporting entity to whom the keep open notice was issued

Commencement date of the keep open notice

EXPOSURE DRAFT

Forms **Schedule 1**

Extension notice **Form 2**

Commencement date of the extension period

[State the date that is the day after the expiry of the following (as applicable):

(a) the keep open notice;

(b) the previous extension period.]

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Previous extension notices (if any) issued in relation to the keep open notice

Have any extension notices previously been issued in relation to the keep open notice?	
How many extension notices have been issued prior to this extension notice?	

Details of the customer(s) to whom the keep open notice applies

[List all customers included in the keep open notice]

Full name of customer(s)	Date of birth or Australian Business Number/Australian Company Number (if known)

Details of senior member

Full name	
Position	
Agency	

Declaration

I am the senior member specified above and reasonably believe that the continued provision of a designated service by the reporting entity to the customer(s) specified in this extension notice would assist in the investigation by the agency of a serious offence.

Signed

--

Date

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EXPOSURE DRAFT

EXPOSURE DRAFT

Schedule 1 Forms

Form 3 Application to issue extension notice

Form 3—Application to issue extension notice

APPLICATION TO ISSUE EXTENSION NOTICE TO FURTHER EXTEND THE PERIOD OF A KEEP OPEN NOTICE

Paragraph 39B(8)(b) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

This is the prescribed form for an application to the AUSTRAC CEO under paragraph 39B(8)(b) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (the AML/CTF Act) to disapply paragraph 39B(7)(b) of that Act for the purpose of issuing a further extension notice in relation to a keep open notice.

Full name of reporting entity to whom the keep open notice was issued

Commencement date of the keep open notice

Previous extension notices issued under subsection 39B(7) of the AML/CTF Act	
How many extension notices have been issued in relation to the keep open notice prior to this application?	

Previous applications to the AUSTRAC CEO	
How many notices have been given by the AUSTRAC CEO under paragraph 39B(8)(d) of the AML/CTF Act in relation to the keep open notice?	

Details of the customer(s) to whom the keep open notice applies	
List all customers included in the keep open notice	
Full name of customer(s)	Date of birth or Australian Business Number/Australian Company Number (if known)

Reasons a further extension of the keep open notice is required

EXPOSURE DRAFT

Forms **Schedule 1**

Application to issue extension notice **Form 3**

Serious offence(s) under investigation by the agency	

Details of senior member	
Full name	
Position	
Agency	

Declaration

I am the senior member specified above and I reasonably believe that the continued provision of a designated service by the reporting entity to the customer(s) specified in the keep open notice would assist in the continued investigation by the agency of the serious offence(s) described in this application.

Signed	Date
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