

Meeting your anti-money laundering and counter-terrorism financing (AML/CTF) obligations

Governance quick guide for governing bodies

A governing body is responsible for making sure your business can identify, assess, manage and mitigate money laundering, terrorism financing and proliferation financing risks. We refer to these as your ML/TF risks.

It's also responsible for overseeing and taking reasonable steps to make sure your business follows its AML/CTF policies and complies with the AML/CTF Act and Rules.

Use this quick guide to help you keep track of what actions you should take to meet your AML/CTF obligations.

Note: This quick guide is a practical tool to help governing bodies oversee their obligations to support their business's compliance and isn't exhaustive. It should be read in conjunction with the AML/CTF governance and oversight factsheet, AUSTRAC guidance and the AML/CTF Act and Rules. These explain the roles and obligations of the governing body in more detail. You may wish to seek independent advice to ensure you understand your obligations.

Governance and oversight





- Oversee that your business is meeting its AML/CTF obligations, including that the AML/CTF program is approved by senior management and remains fit for purpose.
- Oversee independent evaluations of your AML/CTF program and consider the findings and recommendations.
- Receive regular reporting on your business' compliance with your AML/CTF obligations.
Note: *This reporting must be received at least once every 12 months from your AML/CTF compliance officer.*
- Appoint and maintain oversight of your AML/CTF compliance officer and senior manager roles.
- Ensure your AML/CTF compliance officer has the authority, independence and resources they need to meet AML/CTF obligations. Make sure they meet the fit and proper requirements.

Appointing your AML/CTF compliance officer

Your business must make sure that the person appointed as your AML/CTF compliance officer is a fit and proper person.

Fit and proper means they:

- have the competence, skills, knowledge, diligence, expertise and soundness of judgement to properly perform the role
- have attributes of good character, honesty and integrity
- haven't been convicted of serious offences or subject to adverse findings by a regulatory body
- haven't been bankrupt or signed a personal insolvency agreement
- aren't affected by conflicts of interest that creates a material risk that they will not properly perform their role.

Risk management 	<ul style="list-style-type: none">• Oversee that your ML/TF risk assessment is reviewed and updated to reflect new or changed ML/TF risks and receive reports of any updates as soon as practicable.• Receive regular reporting on your business' compliance with your AML/CTF obligations. <i>Note: This reporting must be received at least once every 12 months from your AML/CTF compliance officer.</i>
Assurance and monitoring 	<ul style="list-style-type: none">• Ensure appropriate assurance and monitoring processes are built into your AML/CTF program.• Regularly review and take reasonable steps to address any issues or deficiencies relating to AML/CTF non-compliance.

Building a strong AML/CTF culture

A strong compliance culture shows that AML/CTF is taken seriously at all levels of your business. The governing body has a critical role in ensuring a strong compliance culture as they're responsible for overseeing and reasonably managing the business's AML/CTF compliance and ML/TF risk framework.

A strong AML/CTF culture is often a reliable indicator that your business is taking reasonable steps to meet its obligations.