

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

## Governance quick guide for sole traders and micro businesses

Businesses need to maintain governance and oversight in line with their AML/CTF obligations. This means making decisions, checking compliance and managing risks so the business isn't exploited by criminals.

For sole traders or micro businesses, one person may perform all 3 governance roles:

- governing body
- senior manager
- AML/CTF compliance officer.

That person doesn't need to report to themselves, but they must understand they're still responsible for all the duties of these roles.

Use this quick guide to help you keep track of what actions you should take to make sure you're meeting your AML/CTF obligations and facilitate your business' compliance with its AML/CTF obligations, **where you're performing all 3 governance roles.**




**Note:** This quick guide is a practical tool to help sole traders and micro businesses understand their obligations 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 in more detail. You may wish to seek independent advice to ensure you understand your obligations.

### Risk assessment



### Money laundering, terrorism financing and proliferation financing (we refer to these as ML/TF) risk assessment

- Have a ML/TF risk assessment that identifies and assesses the ML/TF risks your business may reasonably face.
- Review and update the risk assessment at least every 3 years, or when your business or ML/TF risks change.

<b>AML/CTF program</b> 	<ul style="list-style-type: none"> <li>• Have a written AML/CTF program.</li> <li>• Make sure your program matches the nature, size, complexity and ML/TF risk of your business.</li> <li>• Make sure your business's AML/CTF policies are followed in daily operations, including submitting reports to AUSTRAC.</li> <li>• Update your program when your ML/TF risks change.</li> </ul>
<b>Oversight and decision making</b> 	<ul style="list-style-type: none"> <li>• Stay up to date with AML/CTF requirements and your sector's ML/TF risks.</li> <li>• Review your risk assessment and policies regularly and address any issues promptly.</li> <li>• Maintain ongoing oversight of compliance with your AML/CTF policies, the AML/CTF Act and AML/CTF Rules, and take reasonable steps to ensure compliance with the same.</li> <li>• Approve the AML/CTF program, including any updates.</li> <li>• Approve and record high-risk customer decisions (for example, foreign PEPs, high-risk domestic or international PEPs).</li> <li>• Approve and record any third-party agreements for customer due diligence (CDD).</li> <li>• Assess and appoint yourself (or another eligible person) as the AML/CTF compliance officer, and notify AUSTRAC of the appointment.</li> <li>• Arrange for an independent review of your AML/CTF program as required, and at least once every 3 years.</li> <li>• Communicate with AUSTRAC when required, including notifying AUSTRAC of changes to your business or AML/CTF compliance officer details.</li> <li>• Complete AML/CTF training to maintain your knowledge.</li> </ul>
<b>Record keeping</b> 	<ul style="list-style-type: none"> <li>• Keep records of your ML/TF risk assessment and AML/CTF program (with version control).</li> <li>• Keep records of approvals and decisions (including program updates, high-risk customer approvals, CDD agreements).</li> <li>• Keep records of transactions.</li> <li>• Keep evidence of completed AML/CTF training.</li> <li>• Keep records of communications with AUSTRAC.</li> </ul>