

Reporting group obligations quick guide

A reporting group consists of one or more reporting entities that work together to meet their anti-money laundering and counter-terrorism financing (AML/CTF) obligations.

Forming a reporting group can:

- enable information and resource sharing
- reduce costs and efforts
- strengthen money laundering, terrorism financing and proliferation financing risk (we refer to these as ML/TF risk) management across the group.

A reporting group must have both:

- ✓ a **lead entity**, responsible for fulfilling certain shared obligations on behalf of the group
- ✓ one or more **group members**.

Reporting groups can be formed as either elective reporting groups or reporting groups that are business groups. You can read more about this in [guidance on forming reporting groups](#).

Note: This quick guide is a practical tool that outlines the core responsibilities of a lead entity or member of a reporting group and is not exhaustive. It should be read in conjunction with [our guidance](#) and the AML/CTF Act and Rules. These explain the roles and obligations of lead entities and members of a reporting group in more detail. You may wish to seek independent advice to ensure you understand your obligations.

Non-compliance and reporting groups


Failure to comply with AML/CTF obligations can result in significant penalties. In a reporting group, non-compliance by one entity may pose risks to the entire group. If a member breaches a civil penalty provision, both the lead entity and the member are considered to have contravened the AML/CTF Act and may face enforcement action.

Learn more about the [consequences of non-compliance](#).

Lead entity responsibilities and actions

The lead entity is responsible for AML/CTF compliance across the entire reporting group. Its obligations are broader than those of a member.

The following table provides an overview of the actions you may need to take to comply with your AML/CTF obligations.

Responsibility	Details
Enrolment 	<ul style="list-style-type: none">• Ensure your AUSTRAC enrolment details reflect your status as the lead entity.• Ensure your enrolment details include accurate information about all reporting group members, such as their name and any relevant identifiers.• Update your entity's enrolment details within 14 days of any change.
Function as a group 	<ul style="list-style-type: none">• Develop and maintain a group-wide ML/TF risk assessment that reflects the combined risks faced by all members.• Develop, maintain and comply with AML/CTF policies that apply across the group, that ensure appropriate information sharing across the group to:<ul style="list-style-type: none">– carry out customer due diligence– identify, assess, manage and mitigate ML/TF risks of each member– ensure members can comply with their AML/CTF obligations and group AML/CTF policies.• Implement and oversee the application of these policies across the group, ensuring the confidentiality and appropriate use of information shared between members. This includes to prevent tipping off.
Identify who can discharge obligations 	<ul style="list-style-type: none">• Outline in your policies which members can discharge obligations for other members.• Ensure reporting entity members who have had their obligations discharged by another member make, or have access to, records to demonstrate the discharge.
Maintain records 	<ul style="list-style-type: none">• Keep an up-to-date record of all members of the reporting group, including any changes in membership.• Ensure records are accessible to members who need them to meet AML/CTF obligations.
Governance 	<ul style="list-style-type: none">• Ensure your governing body oversees the group's AML/CTF compliance.• Ensure your members are:<ul style="list-style-type: none">– identifying, assessing, managing and mitigating their risks– complying with their AML/CTF obligations.• Ensure your AML/CTF compliance officer supports the governing body in meeting its oversight obligations.

Group member responsibilities and actions

A member of a reporting group can rely on the group's AML/CTF program but still has obligations of its own under the AML/CTF Act.

The following table provides an overview of the actions you may need to take to comply with your AML/CTF obligations.

Responsibility	Details
AUSTRAC enrolment 	<ul style="list-style-type: none">• Ensure your AUSTRAC enrolment details reflect your status as a reporting group member. Include details of your lead entity.• Update your entity's enrolment details within 14 days of any change.
Changes in lead entity 	<ul style="list-style-type: none">• Members of an elective reporting group:<ul style="list-style-type: none">– If the lead entity changes or stops operating, members must agree on a new lead entity within 28 days to maintain the group's registration and compliance.
Comply with AML/CTF policies 	<ul style="list-style-type: none">• Implement and comply with the AML/CTF policies developed by the lead entity, which may include:<ul style="list-style-type: none">– the discharge of obligations– personnel due diligence and training– reporting to AUSTRAC– governance– record keeping• Implement and comply with any of your own specific AML/CTF policies.
Support the group 	<ul style="list-style-type: none">• Provide timely and accurate information to the lead entity to support its reporting and oversight obligations.• Be aware of which members within your group can discharge obligations on your behalf, and which obligations you may discharge on theirs.

Visit austrac.gov.au/about-us/amlctf-reform for more information.