



Australian Government

AUSTRAC



[BUSINESSES](#)

[TRAVELLERS](#)

[ABOUT US](#)

[PUBLICATIONS](#)

[ENFORCEMENT ACTION](#)

[MEDIA](#)

[EMPLOYMENT](#)

[CONTACT US](#)

Do the latest AML/CTF Rules updates apply to you?

24 Jan 2018



Digital currency exchange providers—have your say!

The *Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2017* (AML/CTF Amendment Act) received Royal Assent on 13 December 2017. This Act creates new obligations for digital currency exchange (DCE) providers.

The most significant aspect is a 'Digital Currency Exchange Register'. DCE providers will need to register with AUSTRAC. This closes a 'regulatory gap' where these businesses were not regulated. A benefit to DCE providers is that being registered can help boost consumer confidence in the sector.

AUSTRAC recently published draft AML/CTF Rules for consultation, including the new DCE obligations. [Read more about the obligations and draft AML/CTF Rules \(/digital-currency-exchange-providers\).](#)

Regulatory relief for correspondent banking services

Proposed changes to the AML/CTF Rules resulting from the AML/CTF Amendment Act will ensure that due diligence requirements for correspondent banking services only apply to *vostro* accounts. Currently the requirements apply to both *vostro* and *nostro* accounts.

This will benefit reporting entities by clarifying their obligations and broadening the scope of these relationships. It is also consistent with the Financial Action Task Force's (FATF) international standards, as well as international banking practice.

Betting instruments

The AML/CTF Amendment Act has added a new definition of 'betting instrument' to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act). It has also included 'betting instruments' in certain designated services.

Changes to the AML/CTF Rules will ensure there is now consistency between the customer identification and reporting requirements for oncourse bookmakers and totalisator agency boards, and the requirements for other gambling services providers.

The result is that betting instrument providers will not be required to identify customers when the service involves less than \$10,000.

Other AML/CTF Rules amendments

On 5 January 2018 the AUSTRAC CEO signed a new AML/CTF Rules amendment instrument. This will implement some of the recommendations from the recent statutory review of Australia's AML/CTF regime. It will also address deficiencies identified by FATF in Australia's fourth-round mutual evaluation.

AUSTRAC published the draft of these Rules for public consultation in mid-2017, and revised it to take into account stakeholders' feedback. The amendments affect Chapters 1, 4, 8, 9, 30 and 36 of the AML/CTF Rules.

Benefits for reporting entities, including reduced regulatory burden, include:

- more flexibility in identifying and verifying the identity of customers, allowing for unique identifiers (such as biometrics) on identification documents
- removing the requirement to identify beneficial owner(s) of majority-owned subsidiaries of foreign publicly-listed companies that are already subject to disclosure requirements
- alternative identification procedures when a customer is not able to provide satisfactory evidence of their identity—this is also part of the government's commitment to reducing financial exclusion
- ensuring the independence of AML/CTF program reviewers, to give greater clarity and certainty about who is eligible to undertake a review
- guidance material provided by AUSTRAC on money laundering/terrorism financing risk must be taken into account when developing or updating AML/CTF programs
- more flexibility in complying with customer due diligence obligations
- expanding the definition of 'related body' to include partnerships in related groups of reporting entities.

AML/CTF Rules to support law enforcement operations

In December 2017 AUSTRAC registered new AML/CTF Rules to reduce the chances of criminals being inadvertently 'tipped off' to law enforcement investigations.

For example: a law enforcement agency seeks information from a bank as part of an investigation into the bank's customer. The bank is currently required by the AML/CTF Act to conduct ongoing customer due diligence. This might make the bank seek information from the customer, which then alerts the customer to the law enforcement investigation.

Under the new AML/CTF Rules, certain law enforcement agencies can request an exemption for a reporting entity from particular obligations for six months, or until the investigation has finished (whichever occurs first).

Industry and government partners strongly support these new Rules. This is an innovative approach for AUSTRAC to support law enforcement partners in stopping criminal activity.

The new Rules also provide certainty to the financial sector in helping to support the important work of Australia's law enforcement agencies.

Last modified: 24/01/2018 12:07