

# AUSTRAC



**Australian Government**

**Australian Transaction Reports  
and Analysis Centre**

## AUSTRAC STATUTORY COMPLIANCE REPORTS

Darryl Roberts & Dominic Mullins

AFMA, Sydney, 20 June 07



## Purpose

- Information for entity/sector risk assessment:
  - to help select entities for on-site inspection
  - to help selected entities for desk review
  - to help select entities/sectors for thematic studies
- Information on:
  - entity/sector business profile and risk profile
  - entity's ML/TF risk assessment techniques (v. 'good practice')
  - entity's ML/TF risk management systems (v. 'good practice')
- Keeping in mind:
  - entities are best placed to assess & manage their own risk exposures
  - well run entities should be supervised more lightly



## Principles

- Minimising **compliance burden**
- Having regard to good **commercial practice**
- Having regard to sector & entity **business profiles**
- Not collecting items that aren't **relevant & useful**
- Only collecting items that will be **analysed & acted upon**
- Protecting **confidentiality**
- Discouraging **late, incomplete & unreliable** reporting



## Population diversity & uncertainty

- AUSTRAC needs to manage the risk that our information gathering and risk rating systems fail to identify High Risk entities for closer attention
- No statutory licensing or registration across the entire regulated population
- Regulated population ranges from the large, complex majors to relatively small entities and single individuals
- A major challenge for AUSTRAC is to more comprehensively chart and profile the regulated population



## Broad subject areas in first report

- Business profile
- Electronic funds transfer instructions
- Correspondent banking
- AML/CTF Programs
- Customer identification procedures



## Compliance Report Rules

- The draft AML/CTF Rules released 21 May 2007. Public comment on the draft Rules was sought by 29 May 2007. (No submissions received during the 2 week consultation period - preparations are being made to formally register these AML/CTF Rules.)
- First compliance reporting period under the AML/CTF Act will cover the period **13 December 2006 to 31 December 2007**. The deadline for lodging reports will be **31 March 2008**.
- There will be **no further annual compliance reporting under the FTR Act**.
- The **timing and content** of subsequent **compliance reports** remain at **AUSTRAC's discretion** and will be set out in AML/CTF Rules.



## Reporting Mechanisms

- AUSTRAC's preferred method is via secure online system developed specifically to aid in the collection (and analysis) of Compliance Reports
  
- Functionality included to assist industry in meeting their obligations
  - Customised compliance reports based on [business profiles](#)
  - [Save and return](#) functionality
  - [Secure online](#) environment
  - Users will be able to [update their own profile](#) and create logons



## Style

Reporting entities that complete the **compliance report via the online system** will benefit from a **streamlined, targeted** (tailored) compliance report – minimising regulatory burden

AUSTRAC aims to minimise the textual responses, where possible.

- The types of responses expected to the questions may be:
  - Yes/No/Not Applicable; or
  - multiple tick boxes; or
  - selection from a list; or
  - sliding scale; or
  - a textual/numeric reply.
- Reporting entities will be required to provide **quantitative** (metric) summary **information**



## Feedback via Industry Consultation Groups

- June 19<sup>th</sup> hosted Financial Consultative Forum
- June 20<sup>th</sup> AUSTRAC is hosting Gaming Consultative Forum
- Indicative AML/CTF compliance report questions available via AUSTRAC website June 21<sup>st</sup>. Feedback sought by June 29<sup>th</sup>.
- Further draft released mid August for comment following additional consultation
- The AML/CTF Compliance Report “Approved Form” will be available from the AUSTRAC website mid October 07
- Electronic submission via the secure online system will **not** commence until 1<sup>st</sup> January 2008

# AUSTRAC



**Australian Government**

---

**Australian Transaction Reports  
and Analysis Centre**

## **AUSTRAC Website**

<http://www.austrac.gov.au>

## **AUSTRAC Help Desk**

[help\\_desk@austrac.gov.au](mailto:help_desk@austrac.gov.au)

1300 021 037