



**Australian Government**  

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**Australian Transaction Reports  
and Analysis Centre**

# **AUSTRAC Guidance Note**

## **Register of Providers of Designated Remittance Services**



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*Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

#### **1. Introduction**

- 1.1 The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) is designed to assist in combating money laundering and the financing of terrorism. To achieve these aims, the AML/CTF Act places certain obligations on 'reporting entities' (defined in section 5 of the Act). This includes providers of 'registrable designated remittance services' (also defined in section 5).
- 1.2 Under section 229 of the AML/CTF Act, the Chief Executive Officer (CEO) of the Australian Transaction Reports and Analysis Centre (AUSTRAC) may, in writing, make *Anti-Money Laundering/Counter-Terrorism Financing Rules* (AML/CTF Rules). The AML/CTF Rules are legislative instruments and are therefore binding.
- 1.3 The purpose of this guidance note is to provide information and assistance to those reporting entities required to register with AUSTRAC as providers of registrable designated remittance services.
- 1.4 This guidance note is not legal advice and the views set out are not legally binding (refer to the disclaimer at the end of this guidance note for more details).

#### **2. Obligation to register with AUSTRAC**

- 2.1 A person who provides a registrable designated remittance service at or through a permanent establishment in Australia must register their details with AUSTRAC. Certain information called 'registrable details' must be provided (see paragraph 5.1 below).
- 2.2 Providers of registrable designated remittance services who refer to themselves as 'agents' may in fact be directly providing those services, rather than providing them on behalf of another entity. Agents should, therefore, register with AUSTRAC. Independent legal advice may be necessary where there is doubt as to whether the registration requirements apply to a provider in a particular circumstance.
- 2.3 A registrable designated remittance service must not be provided if the person providing the service has not registered with AUSTRAC (see section 74 of the AML/CTF Act). Failure to register may constitute the commission of a criminal

offence and result in imprisonment and/or fines. It may also contravene a civil penalty provision, which may result in a financial penalty.

- 2.4 Entities should refer to sections 5, 6 and 10 of the AML/CTF Act when determining whether they need to register.
- 2.5 Providers of registrable designated remittance services may have, or continue to have, obligations under the *Financial Transaction Reports Act 1988* (FTR Act) and *Financial Transaction Reports Regulations 1990*, such as financial transaction reporting obligations.
- 3. Registrable designated remittance services**
- 3.1 Types of registrable designated remittance service providers required to register include those commonly known as remittance dealers, money remitters, money transmitters, alternative remitters, providers of money transfers and various services usually provided within community groups and known by names particular to each ethnic culture.
- 3.2 Generally such services accept cash, cheques, monetary instruments or stores of value in one location and pay an equivalent amount in cash or value to a beneficiary in another location. Transfers are commonly made by communicating through telephone, fax, email, SMS, or through a clearing network. In some communities this form of money transfer is commonly known as hawala, hundi, chuyen tien, yok song geum, or pera padala.
- 3.3 A registrable designated remittance service involves the provision of a 'designated remittance arrangement' (see section 10 of the AML/CTF Act). This is where both the person who accepts the money or property and the person who makes the money or property available under the remittance arrangement is not one of the following:
- (a) an authorised deposit-taking institution (ADI);
  - (b) a bank;
  - (c) a building society;
  - (d) a credit union; or
  - (e) a person specified in the AML/CTF Rules (in the context of a designated remittance arrangement referred to in section 10 of the AML/CTF Act).
- 3.4 AUSTRAC will develop AML/CTF Rules to treat certain remittance arrangements so that they do not constitute designated remittance arrangements under the AML/CTF Act.
- 3.5 Providers of registrable designated remittance services who are already known to AUSTRAC as 'cash dealers' under subparagraph 3(k)(ib) or paragraph 3(l) of the cash dealer definition in the FTR Act, are required to register under the AML/CTF Act before continuing to provide these services. New providers of registrable designated remittance services must register with AUSTRAC before providing the service(s).

#### **4. Registration**

- 4.1 AUSTRAC maintains the register, called the Register of Providers of Designated Remittance Services (see section 75 of the AML/CTF Act).
- 4.2 Registration can be done electronically via AUSTRAC's website at [www.austrac.gov.au/remittance\\_services.html](http://www.austrac.gov.au/remittance_services.html). AUSTRAC's preference is for electronic registration. However, registration can also be done by completing the approved AUSTRAC paper form and mailing it to AUSTRAC at the address shown on the form.
- 4.3 There are no registration fees or charges.
- 4.4 Providers of registrable designated remittance services should advise AUSTRAC of any changes to their details after they have registered, to ensure the register is kept up-to-date.

#### **5. Registrable details**

- 5.1 Registrable details are set out in the *Anti-Money Laundering and Counter-Terrorism Financing Rules for Registrable Details - Register of Providers of Designated Remittance Services* available via AUSTRAC's website at [www.austrac.gov.au/aml\\_ctf\\_rules.html](http://www.austrac.gov.au/aml_ctf_rules.html).

#### **6. Removing names from the register**

- 6.1 A person whose name is entered on the register can request, in writing, that the AUSTRAC CEO remove their name and registrable details from the register.
- 6.2 On removal of a person's name and registrable details from the register, the person must not provide a registrable designated remittance service unless and/or until a new registration application has been submitted.

#### **7. Access to the register**

- 7.1 The Register of Providers of Designated Remittance Services will not be available to the public.
- 7.2 Under section 79 of the AML/CTF Act, a reporting entity may request, in writing, confirmation from AUSTRAC as to whether the name of a specific person is entered on the register. AUSTRAC must answer such a request as soon as practicable after the request is made.
- 7.3 A reporting entity mentioned in paragraph 7.2 above is a person who provides a designated service (as listed in section 6 of the AML/CTF Act):
  - (a) in Australia; or
  - (b) in a foreign country if the reporting entity is a resident of Australia; or
  - (c) in a foreign country if the reporting entity is a subsidiary of a company that is a resident of Australia.

This means that a written request described in paragraph 7.2 above cannot be made by a reporting entity's 'parent' company in a foreign country if that parent company does not itself fit the definition of a reporting entity.

7.4 Information on the register may be accessed upon request by AUSTRAC's partner agencies (defined in section 5 of the AML/CTF Act under 'designated agency'). Partner agencies include law enforcement, revenue, national security and social justice agencies.

## 8. Processing time

8.1 The registration process (either by paper form or electronically) can be completed within approximately 20 minutes. Once the registration process is complete, a letter acknowledging the registration is sent to the provider of the registrable designated remittance service, within a reasonable time.

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### Further information

AUSTRAC officers are able to assist reporting entities, their staff and the public in providing general information relating to the AML/CTF Act. Enquiries can be directed to the AUSTRAC Help Desk via:

- email to [help\\_desk@austrac.gov.au](mailto:help_desk@austrac.gov.au)
- telephone 02 9950 0827 or 1300 021 037 (a local call within Australia).

The information contained in this document is intended only to provide a summary and general overview on these matters. It is not intended to be comprehensive. It does not constitute, nor should it be treated as, legal advice or opinions. This document may contain statements of policy which reflect AUSTRAC's administration of the legislation in carrying out its statutory functions. The Commonwealth accepts no liability for any loss suffered as a result of reliance on this publication. AUSTRAC recommends that independent professional advice be sought.

The information contained herein is current as at the date of this document.

Reporting entities should also keep in mind that they may have obligations under the *Privacy Act 1988*. To determine whether you are covered by this Act and what your obligations might be, please go to <http://www.privacy.gov.au> or call 1300 363 992 for further information.

July 2007  
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