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AML/CTF rules Amendment Instrument 2011 (No. 6)

Summary Document

ASIAL recognises the complexities of the reporting responsibilities regarding the legislative requirements of the AML/CTF Act. This summary is not a complete and detailed document relating to the amendment and ASIAL recommends any organisation with responsibilities to submit threshold transaction reports, seek independent advice on the implications of the amendments to their organisation and operation.

What Does It Mean?

- The amendment provides in certain circumstances exemptions for CIT operators to either submit TTR's and/or to collect certain information 'reportable details' regarding the transaction.
- It is a requirement for all CIT operators to submit a TTR for all transactions where the transfer of physical currency is \$10,000 or more.
- A new Chapter 53 exempts CIT operators from submitting TTR's where the collection of physical currency or the delivery of physical currency is in one or more of the following;
 - the transaction is between an Australian Government Entity (AGE) and an authorised deposit-taking institution (ADI) (includes Banks) with which it holds an account.
 - The transaction is between one AGE and another AGE,
 - The transaction takes place within one part of an AGE and another part of the same AGE; or
 - The transaction takes place between one part of an ADI and another part of the same ADI
- The change to **reportable details** provides relief for CIT operators in collecting details for the TTR of the individual conducting the transaction each time when they are collecting or delivering physical currency. It is important that this exemption only applies where the provision of the designated service falls under an agreement for service which must have been scheduled at least 5 days before the designated services is provided.
- The agreement for service relates to a written, implied and oral contract.





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Where an **'agreement for services'** is **not** established at least 5 days before the designated services is provided, the CIT operator (reporting entity) will be required to obtain and/or provide the following information for the TTR. The reporting entity will have to obtain the information when collecting the physical currency and provide the information when delivering the physical currency to another reporting entity such as an ADI.

- The reportable details/information required included the following;
 1. When a CIT operator goes to a bank and deposits or collects \$10,000 or more in cash for a client the bank may ask for the following information:
 - The full name of the CIT business e.g. MRZ Pty Limited or White Security
 - The full address of the CIT business
 - Evidence of the authority of the CIT business to do the transaction on behalf of the customers
 - The CIT driver's title, role or position
 - The ACN or ARBN or ABN of the CIT business
 - A statement that the CIT driver is acting on behalf of the CIT business.
 2. Equally, when a CIT operator collects or deposits cash of \$10,000 or more to a client, they are expected to ask for the following information from the employee of the client they hand the money to or receive the money from:
 - The individuals' full name
 - Their date of birth
 - Their full residential address (no PO boxes allowed)
 - Their postal address if different
 - Their telephone number
 - Their entitlement to receive the cash or to hand over the cash
 - A statement that they are acting as an employee in receiving or handing over the cash
 - Their title or role with the customer.

ASIAL will continue to communicate with AUSTRAC in an effort to represent members in managing the demanding compliance requirements of the AML/CTF Act and Government requirements.

