

11 September 2024

ANTI-MONEY LAUNDERING/COUNTER-TERRORISM FINANCING REFORMS INTRODUCED

Chartered Accountants ANZ (CA ANZ) has welcomed Attorney General Mark Dreyfus' anti-money laundering and counter-terrorism financing (AML/CTF) Bill to implement tranche two reforms.

"Chartered Accountants can play a vital role in detecting and preventing criminal activity and our members want to be further empowered to do their part in ensuring Australia meets its obligations under the Financial Action Task Force, the global watchdog for money laundering and terrorism financing," said Ainslie van Onselen, CEO of CA ANZ.

CA ANZ is pleased that entire professions, such as accountancy, are not captured in the Bill. Instead the Bill designates specific services provided by professionals that are considered at risk of criminal exploitation.

CA ANZ welcomes changes that have been made to the Bill because of our advocacy in joint submissions in June 2023 and June 2024, with CPA Australia and the Institute of Public Accountants, which called for a sensible and cost-efficient approach that considered professional accountants' existing regulatory and professional obligations.

"I would like to thank Attorney General Mark Dreyfus for meeting with myself and the CEOs of CPAA and IPA early in the consultation process," said Ms van Onselen.

CA ANZ also welcomes the removal of 'correspondence address' and 'administrative address' from designated service 9.

"It is common for clients to utilise their accountant's practice address as a central point for correspondence and administrative notices from government bodies. Our members are simply passing on information with no control over how their clients respond to the notices," explained Ms van Onselen.

"CA ANZ considers designated service 9 now captures the widely accepted practice of criminals hiding their genuine location by misusing a professional's address as their registered office address or principal place of business address."

"As a Trans-Tasman organisation, CA ANZ shared learnings from the experience of our New Zealand members who have been operating under similar legislation there for nearly six years.

"One of the key learnings was allowing an extended implementation period and to phase in new reporting entities by sectors, following the Bill's enactment.

"We are pleased to see a deferred start date of 31 March 2026 for tranche two entities offering designated professional services, such as accountants and lawyers. However, a fixed date does not consider the timeframe for the passage of the Bill through parliament which is unknown.

Therefore, we will advocate for the commencement date to have flexibility to allow for delays in passage of the Bill.

In parallel, CA ANZ will continue to advocate for complementary legislation that will help our members comply with this new legislation.

“We call on Treasury to prioritise developing a beneficial ownership register, and uplifting the business register to link companies to the relevant director IDs and making searches of the business register, free of charge. Our members need the right tools to be able to complete timely and affordable customer due diligence.

“We will also continue to engage closely with AUSTRAC to develop an accounting sector specific guide for new reporting entities outlining compliance activities in a practical form using case studies to demonstrate when and how they apply,” said Ms van Onselen.

CA ANZ will be considering the Bill in greater detail over the coming days and we look forward to passing on any feedback through the parliamentary process.

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