



MEDIA RELEASE

Attorney General's Report Strengthens Australia's AML/CTF Framework: AFMA

2 May 2016

The Australian Financial Markets Association has welcomed the Attorney-General's Department Report into Australia's AML/CTF Regime (**the Report**), released on 29 April 2016.

The Report contains a number of key recommendations that, if implemented, will ensure that Australia's AML/CTF framework continues to be effective in disrupting and preventing money laundering and terrorism financing in a manner that acknowledges the risks posed by different businesses and is consistent with international best practice.

"A particularly pleasing aspect of the Report is that it reflects consistent feedback provided by industry as part of the stakeholder engagement process, and recognises that a collaborative approach between Government, its agencies and industry is optimal," said AFMA Policy Director, Rob Colquhoun.

A key finding of the Report is the recognition that non-financial businesses pose significant money-laundering and terrorism financing risks and need to be brought within the AML/CTF framework. The expansion of the AML/CTF framework (known as 'Tranche 2') has been a key commitment of both Government and AUSTRAC since the commencement of the regime in 2006. AFMA encourages the Government to expand the AML/CTF framework to include non-financial businesses in a cost-effective and efficient manner that does not impose any additional burden on existing regulated entities.

AFMA also welcomes a number of key recommendations in the Report of particular relevance to AFMA members, particularly those that operate internationally. Enhanced reliance on customer due diligence undertaken by regulated business will significantly reduce regulatory burden, while allowing information to flow between entities within the same corporate group will facilitate effective disruption of money-laundering and terrorism financing at a global level.

AFMA is committed to working with Government, AUSTRAC and other industry participants to implement the recommendations of the Report.

Notes for Editors:

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making.

AFMA represents over 130 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.

Contact details for further information:

Kristin Westlake

The Continuum Partners

kwestlake@thecontinuumpartners.com

+61 416 219 358