

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

ANZ

ANZ34QW:

(a) What information does AUSTRAC require for reporting of the international transfer of funds?

Answer: The information that is required to be reported to AUSTRAC for each International Funds Transfer Instruction (**IFTI**) is set out in Chapters 16 & 17 of the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (**the Rules**). <https://www.legislation.gov.au/Details/F2019C00383>

As Chapter 16 relates generally to Financial Institutions and Chapter 17 relates to Money Service Businesses, ANZ's response is in relation to the requirements under Chapter 16.

IFTIs are reportable to AUSTRAC within 10 business days of an outward (from Australia to a foreign jurisdiction) or inward (from foreign jurisdiction to Australia) qualifying transaction occurring. For ANZ, this is when item 1 or item 2 occur in the Table in Section 46 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (**the Act**). <https://www.legislation.gov.au/Details/C2019C00011>

Requirements for outward and inward IFTIs are different and are set out below.

Outward IFTI information

(Note: bold italic text inserted to assist in explanation)

Part 16.2 A report about an international funds transfer instruction (the instruction), within the meaning of item 1 of the table in section 46 of the AML/CTF Act, must contain:

- (1) for an instruction within the meaning of paragraphs 70(b) or 70(c) of the AML/CTF Act – the complete payer information (**see below**) under section 71 of the AML/CTF Act;*
- (2) for an instruction within the meaning of paragraph 70(a) of the AML/CTF Act – the tracing information under section 72 of the AML/CTF Act;*
- (3) the name or identity of the ordering institution;*
- (4) where applicable, the name or identity of any branch or department of the ordering institution which the payer requested to transmit the instruction;*
- (5) the name or identity of the institution (the sender) transmitting the instruction to the beneficiary (**receiving payee**) institution, if different from subparagraph 16.2(3);*
- (6) where applicable, the name or identity of the sender's branch or department which transmitted the instruction, if different from subparagraph 16.2(4);*
- (7) the date on which the sender transmits, or is to transmit, the instruction to the beneficiary institution;*
- (8) the name or identity of the beneficiary institution;*
- (9) the name or identity of the branch or department of the beneficiary institution at which the funds will be made available to the payee;*
- (10) the name of the payee;*

(11) one or more of the following details:

(a) the number of any account held by the payee with the beneficiary institution through which the transferred money is to be made available to the payee;

(b) the payee's full business or residential address (not being a post box address);

(c) where applicable, the type (**e.g. passport, National ID card etc**) and number of identification relating to the payee;

(12) the following details as appear in the instruction:

(a) any information or directions provided by the payer to the payee in relation to the instruction;

(b) the name or identity of any interposed institution in the funds transfer chain;

(c) the name or identity and account number of any institution through which the beneficiary institution will be reimbursed;

(d) any information or directions provided by the ordering institution or interposed institution to another institution in the funds transfer chain under subsection 64(2) of the AML/CTF Act;

(e) any other details relating to the instruction;

(13) the amount referred to in the instruction;

(14) the currency of the amount referred to in the instruction; and

(15) the date on which the transferred money becomes available to the payee.

Complete Payer Information (s.71 Act).

For the purposes of the application of this Act to an electronic (**international**) funds transfer instruction, the complete payer information is:

(a) the name of the payer; and

(b) one of the following:

(i) the payer's full business or residential address (not being a post office box);

(ii) a unique identification number given to the payer by the Commonwealth or an authority of the Commonwealth (for example, an Australian Business Number or an Australian Company Number);

(iii) a unique identification number given to the payer by the government of a foreign country;

(iv) the identification number given to the payer by the ordering institution;

(v) if the payer is an individual—the payer's date of birth, the country of the payer's birth and the town, city or locality of the payer's birth; and

(c) if the money is, or is to be, transferred from a single account held by the payer with the ordering institution in Australia—the account number for the account; and

(d) if paragraph (c) does not apply—either:

(i) a unique reference number for the transfer instruction; or

(ii) if the money is, or is to be, transferred from a single account held by the payer with the ordering institution—the account number for the account.

Inward IFTI information is set out in Chapter 16 of the Rules:

Part 16.3 A report about an international funds transfer instruction (the instruction), within the meaning of item 2 of the table in section 46 of the AML/CTF Act, must contain:

(1) the name of the payer;

(2) the name or identity of the institution (the sender) transmitting the instruction to the beneficiary institution;

(3) the following details as appear in the instruction:

(a) for an instruction within the meaning of paragraphs 70(b) or 70(c) of the AML/CTF Act:

(i) one of the following:

(A) the payer's full business or residential address (not being a post box address);

(B) a unique identification number given to the payer by the Commonwealth or an authority of the Commonwealth (for example, an Australian Business Number or an Australian Company Number);

(C) a unique identification number given to the payer by the government of a foreign country;

(D) the identification number given to the payer by the ordering institution;

(E) if the payer is an individual—the payer's date of birth, the country of the payer's birth and the town, city or locality of the payer's birth;

(ii) if the money is, or is to be, transferred from a single account held by the payer with the ordering institution in Australia—the account number for the account;

(iii) if subparagraph 16.3(3)(a)(ii) does not apply—either:

(A) a unique reference number for the transfer instruction; or

(B) if the money is, or is to be, transferred from a single account held by the payer with the ordering institution—the account number for the account;

(b) for an instruction within the meaning of paragraph 70(a) of the AML/CTF Act – the tracing information under section 72 of the AML/CTF Act;

(c) the name or identity of the ordering institution, if different from subparagraph 16.3(2);

(d) where applicable, the name or identity of any branch or department of the ordering institution which the payer requested to transmit the instruction, if different from subparagraph 16.3(3)(e);

(e) where applicable, the name or identity of the sender's branch or department which transmitted the instruction;

- (f) the identification code assigned to the instruction by the sender;*
- (g) the name or identity of the beneficiary institution;*
- (h) the name or identity of any branch or department of the beneficiary institution at which the funds will be made available to the payee;*
- (i) the date on which the beneficiary institution received the instruction;*
- (j) the name of the payee;*
- (k) the payee's full business or residential address (not being a post box address);*
- (l) the number of any account held by the payee with the beneficiary institution through which the transferred money is to be made available to the payee;*
- (m) the name or identity of any interposed institution in the funds transfer chain;*
- (n) the name or identity and account number of any institution through which the beneficiary institution will be reimbursed;*
- (o) any information or directions provided by the payer to the payee in relation to the instruction;*
- (p) any information or directions provided by the ordering institution or interposed institution to another institution in the funds transfer chain under subsection 64(2) of the AML/CTF Act;*
- (q) any other details relating to the instruction;*
 - (4) the amount referred to in the instruction;*
 - (5) the currency of the amount referred to in the instruction; and*
 - (6) the date on which the transferred money becomes available to the payee.*

(b) What data is required to be input for an international transfer of funds?

Answer: Please refer to response (a) above in relation to the data required to be input for an IFTI report to AUSTRAC (up to 10 business days after the transaction).

Please refer to the table below, in relation to the data required to be input for an IFTI instruction via SWIFT. This information enables a message to be transmitted to the next financial institution in the chain. Some fields are optional depending on the circumstances, others, such as "beneficiary customer", and "amount", are mandatory.

Field Name for SWIFT message types	Field	Mandatory/Optional
Sender's Reference	20	Mandatory
Time Indication	13C	Optional
Bank Operation Code	23B	Mandatory
Instruction Code	23E	Optional
Transaction Type Code	26T	Optional
Value Date/Currency/Interbank Settled Amount	32A	Mandatory
Currency/Instructed Amount	33B	Optional
Exchange Rate	36	Optional
Ordering Customer	50a	Mandatory
Sending Institution	51A	Optional
Ordering Institution	52a	Optional
Sender's Correspondent	53a	Optional
Receiver's Correspondent	54a	Optional
Third Reimbursement Institution	55a	Optional
Intermediary Institution	56a	Optional
Account With Institution	57a	Optional
Beneficiary Customer	59a	Mandatory
Remittance Information	70	Optional
Details of Charges	71A	Mandatory
Sender's Charges	71F	Optional
Receiver's Charges	71G	Optional
Sender to Receiver Information	72	Optional
Regulatory Reporting	77B	Optional

(c) What data is required to be input for the verification of an international transfer of funds?

(d) What difference is there between the data required for an international transfer of funds, and a verified international transfer of funds?

Answer: The AML legislation does not refer to verification of an IFTI.

ANZ does not distinguish between verified or unverified IFTIs. All IFTIs must have the required data to enable the message/instruction to be transmitted and for the IFTI report to be made for AUSTRAC.

ANZ only provides IFTIs (to send outward or receive inward) for our customers that have been identified as required by the Act and Rules.

SWIFT messages to enable IFTI instructions between financial institutions are only permitted where ANZ has met its due diligence obligations as required by the Act in relation the other financial institutions in the transaction and met the SWIFT protocols for exchanging data.

(e) What information do you provide to AUSTRAC for reporting of the international transfer of funds?

Answer: Please refer to the response to question (a) above.

(f) Do you provide data for verified transactions to AUSTRAC?

(g) Do you provide data for unverified transactions to AUSTRAC?

Answer: Please refer to the responses to questions (a) and (d) above.

In some circumstances where the IFTI may not be able to be processed it may still be reportable as the reporting obligation relates to an instruction (not necessarily the value movement); for example, a payment may be reported but rejected because it lacks adequate data or potential sanctions risk.

(h) What difference is there between the data required for an international transfer of funds and the data required for AUSTRAC reporting?

(i) What difference is there between the data required for the verification of an international transfer of funds and the data required for AUSTRAC reporting?

Answer: Please refer to the responses to questions (a) and (b).

As noted above, not all IFTI instructions are required to be sent via SWIFT. It is possible for financial institutions or Money Service Businesses or other Reporting Entities to arrange for value to be transferred cross border in other ways.

For example, book entry changes, netting off arrangements, and other options exist to allow the effective movement of the value without a SWIFT based instruction. Additionally, even if using SWIFT, it is possible for the value change instruction to occur via different message types. In each of these scenarios there are different levels of information that can be exchanged to allow the value movement to occur and may not always include all the information to enable the IFTI report to be made to AUSTRAC.

ANZ's approach to ensure compliance is to maintain that a SWIFT message type (commonly MT103) is used where appropriate to represent each instruction for a value movement, thus allowing the downstream processes such as sanctions screening, and IFTI reporting to AUSTRAC to occur in a consistent manner and be compliant with the Chapter 16 of the AML/CTF Rules as per question (a) above.

It should also be noted that there are some 'international' transactions or movement of value situations that are not required to be reported to AUSTRAC. For example, cash withdrawals through an Australian issued card at an overseas ATM, or online purchases from Australia to merchants overseas.