

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS**

CBA101QON:

Mr FALINSKI: Sorry, Mr Comyn, I have to interject there. These particular assets or currencies are all underpinned by blockchain technology, which means that a regulator can go and look at the chain of ownership right back to the beginning. Why is this so difficult for Australian banks to deal with?

Mr Comyn: Your statement is right. There is actually very good transparency about on-chain transactions, and there are a couple of technology providers who help institutions. That assumes a couple of things. It assumes that the on and off ramps into the cryptocurrency world are equally well regulated. At least in our experience, there are differences in the KYC, or know-your-client, customer obligations. Once the currency is in, I agree: if you have the right expertise, techniques and tools, you can track on-chain transactions through most of the chains

Mr FALINSKI: Mr Comyn, what I'm trying to understand from the CEO of the most successful bank in the world, judging by your share price, is: Why is it beyond our capacity in this country to allow people to bank something, as they can do in the United States and other parts of the world quite freely? What do we, as a parliament, need to do to make it comfortable for the CEO of the most successful bank in the world to be able to bank these things? We, clearly, have provided a regulatory framework that is failing you and the Australian people.

Mr Comyn: We don't bank a large number of players but we do bank some players in this sector. We have formed the view more recently that, yes, it is a higher-risk sector, but it is a sector, in some instances, that we feel that we can appropriately manage the risk in, leveraging some of the tools, techniques and providers that are available that we were just discussing. We are also in regular dialogue with AUSTRAC on this particular topic. They are focused on it. We see it as a joint obligation and responsibility on our side to help to try to develop the rules. We had a meeting just the other week with AUSTRAC, walking through it. So I think you will see that the sector will emerge and develop, but there will also—

Mr FALINSKI: Can I ask you to take that on notice, because I'm going to run out of time.

Answer:

On 3 November 2021, Commonwealth Bank announced it would become Australia's first bank to offer customers the ability to buy, sell and hold crypto assets, directly through the CommBank app.

Commonwealth Bank has partnered with one of the world's largest regulated crypto exchanges and custodians, Gemini, and leading

blockchain analysis firm, Chainalysis. Both partnerships have allowed the bank to design a crypto exchange and custody service that will be offered to customers through a new feature in the app.

The pilot will start in the coming weeks, and we intend to progressively rollout more features to more customers in 2022. We will provide customers with access to up to ten selected crypto assets including Bitcoin, Ethereum, Bitcoin Cash and Litecoin.

Commonwealth Bank believes it can play an important role in crypto to address what is clearly a growing customer need and provide capability, security and confidence in a crypto trading platform.

We will continue engaging with regulators and support a whole-of-government approach to regulating the digital currency sector and emerging decentralised finance applications.