

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER INSTITUTIONS

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Dr MULINO: The government has committed to tranche 2, and the FATF has recommended action in that space, as it has in other countries. So I think that, from a policy perspective, there's not a great controversy there, but it's yet to be enacted. Do you support enacting tranche 2?

Mr McEwan: Do you have a view on that one?

Mr Dooley: I think what we would say is that the environment which we're dealing with continues to get more and more challenging and complex. In any sort of complex situation, making the regulation and the law around that simpler for everyone is going to be a better outcome. In terms of the specific question on tranche 2 and FATF, we might have to come back to you on that on notice.

Answer

NAB takes its financial crime obligations seriously. Since 2017 it has invested over \$800 million to uplift financial crime and fraud systems, processes and controls.

NAB supports efforts to impede perpetrators of financial crime and to make Australia a less desirable target for criminals. Given the global nature of financial crime threats, these efforts should consider international developments and standards. This includes policies and practices in place in comparable jurisdictions, such as the UK and US, and recommendations from bodies such as the Financial Action Task Force (FATF).

NAB supports using the next phase of legislation on Anti-Money Laundering and Counter Terrorism Financing (AML-CTF), through tranche 2 reforms, to strengthen financial crime protections while simplifying and streamlining the regime. Improving the use and mobility of digital identification procedures could be an important element to increase effectiveness and reduce any unnecessary burden on customers and businesses.