

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS RESPONSE TO QUESTIONS IN WRITING REQUESTED

#### Citi Australia

Question CAB10QW :                      **Anti-money laundering**

**(a) Can you please provide a copy of your anti-money laundering, or like, policy?**

Response:

Citi has a Global Anti-Money Laundering Policy establishing governing principles and minimum requirements to protect Citi, its subsidiaries, affiliates, and/or joint ventures from being used to launder money or to finance terrorism, and to guide all Citi employees as they conduct business in accordance with applicable Anti-Money Laundering / Counter-Terrorism Financing (**AML/CTF**) legislation.

The Citi Australia franchise complies with the requirements of the Global AML Policy and the local regulatory requirements in Australia.

For further details on Citi's Global AML Program, please refer to the link [here](#)

**(b) How many cases have you reported to AUSTRAC over the past decade?**

Response: Citi Australia has lodged 2,605 suspicious matter reports with AUSTRAC over the past decade.

**(c) Of those cases, how many relate to:**

**(i) money laundering?**

**(ii) terrorist financing?**

**(iii) organised crime?**

**(iv) human trafficking?**

**(v) child exploitation?**

**(vi) crimes of a sexual nature?**

**(vii) other serious crimes not captured by (i) – (vi)?**

Response:

When submitting a suspicious matter report to AUSTRAC we are required to select from a list of pre-determined 'most likely offence' options within the AUSTRAC online system; as follows.:

- Financing of terrorism
- Money laundering
- Offence against a Commonwealth, State or Territory Law
- Person/ agent is not who they claim to be
- Proceeds of Crime
- Tax Evasion

Given below is the number of SMRs filed under these categories:

<b>Most Likely Offence (Part G)</b>	<b>Total</b>
Money Laundering	1892
Offence against a Commonwealth, State or Territory Law	679
Proceeds of Crime	5
Tax Evasion	17
Financing of terrorism	12

**(d) Can you please provide an update on your initiatives, including details of programs, staff numbers and financial resources toward initiatives to combat:**

**(i) money laundering?**

**(ii) terrorist financing?**

**(iii) organised crime?**

**(iv) human trafficking?**

**(v) child exploitation?**

**(vi) crimes of a sexual nature?**

**(vii) other serious crimes not captured by (i) – (vi)?**

Response: Citi's Global AML Program is structured to reflect Citi's AML Control Framework and its application to Citi's AML Lifecycle. This Framework is anchored by a foundation of Governance and Enterprise-Wide Controls that are executed throughout three phases of the AML control Lifecycle: Prevention, Detection and Reporting.

Citi Australia has 38 staff supporting AML activities onshore and leverages the Global Citi Program, including the transaction monitoring program, to manage and mitigate money laundering and terrorism financing risk. Offshore teams include 27 staff dedicated to Australian transaction

monitoring alert investigation. In 2019, the cost to Citi Australia for AML, excluding in – business AML support, was USD3.8 million.

**(e) How frequently have you reported to AUSTRAC on a scheduled basis over the past decade?**

Response: Citi provides AUSTRAC with five automated files daily containing International Funds Transfer Instruction (IFTI) reports and one automated file daily containing Threshold transaction reports. Over the past decade, there have been circa 13.8 million IFTI reports and circa 11,500 TTRs. Additionally, Citi provides AUSTRAC with the annual Compliance report, as required by legislation.

**(f) Please outline the occasions you have reported to AUSTRAC on an ad hoc basis over the past decade?**

Response: Citi submits suspicious matter reports to AUSTRAC, within the required timeframes, on an ad hoc basis, i.e. once reasonable ground for suspicion is formed.

**(g) Over the past decade, how many AUSTRAC investigations into the bank have been:**

- (i) opened**
- (ii) completed with penalties**
- (iii) completed without penalties**
- (iv) abandoned**

Response: There have been no AUSTRAC investigations into the Bank over the past decade.

**(h) How many fines have been paid to AUSTRAC over the past decade, and what were their values?**

Response: None

**(i) Have any AUSTRAC notifications or investigations resulted in terminations of employment or other penalties for employees?**

Response: No

**(j) Have any AUSTRAC notifications or investigations resulted in terminations of employment or other penalties for executives?**

Response: No

**(k) What staff training is provided to assist anti-money laundering and other serious crime detection**

Response: All Citi Australia employees, including Board members, undertake mandatory training on AML.CTF annually and failure to complete is not permitted. Additional training is provided on a risk-based approach, dependent upon the employee role and risk factors.