

# 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 CAB20QW International transfer of funds

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

Response:

Citi Australia meets the requirements of section 45 AML/CTF Act and submits International Funds Transfer Instruction (IFTI) reports in the prescribed schema format to meet AUSTRAC data requirements.

AUSTRAC publishes a Format Specifications Document (FSD) specifying the content of the report, file type, naming convention, layout and other details for the reporting of IFTI-E. Prior to commencing any new reporting, a test file assessment is performed with the analytics team at AUSTRAC to confirm that the file is correctly populated and meets AUSTRAC data requirements.

Chapter 16 AML/CTF Rules details the information that must be provided within an IFTI report, dependent upon whether the report is for an Instruction transmitted out of Australia or into Australia.

The following must be reported for Instructions transmitted out of Australia (chapter 16.2):

- (1) for an instruction within the meaning of paragraphs 70(b) or 70(c) of the AML/CTF Act – the complete payer information 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 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 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.

The following must be reported for Instructions transmitted into of Australia (chapter 16.2):

(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?**

Response: Electronic funds transfer instructions (both domestic and international) must contain the required transfer information detailed in section 70 AML/CTF Act. This requires 'tracing information' containing the account number or unique reference number and additionally, in certain circumstances, the 'payer information', including payer name and address or unique identification number.

In addition, to ensure accurate and complete IFTI reporting, the information that is required to complete an IFTI report is required to be included within the instruction to transfer funds.

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

Response: Citi Australia only offers international transfers to active account holders who have been fully identified and verified. A funds transfer is not 'verified' per se however, payment details need to be complete in order for the payment to be made. Processes and controls, both real time and post are in place to ensure complete information is provided in any instruction sent by a Citi Australia client to enable population of the IFTI reporting to meet the requirements of the AUSTRAC schema.

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

Response: Please refer to answer to question c.

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

Response: Citi Australia provides the information as required under section 45 AML/CTF Act and in accordance with the data requirements of the AUSTRAC schema. Refer to answer a) for additional detail.

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

Response: Please refer to answer to question c.

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

Response: Please refer to answer to question c.

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

Response: To ensure accurate and complete IFTI reporting, the information that is required to complete a report is required as part of the instruction to transfer funds. Where a transfer is outbound, i.e. the instruction originates from a Citi Australia customer, controls, including system driven controls, are in place to ensure that information is provided in a format that matches that required within an IFTI report. The quality of inbound instructions coming to into Australia from overseas institutions, are monitored to ensure that sufficient data is provided in the incoming message to complete the IFTI report.

**(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?**

Response: Please refer to answer to question c.