



ASIC
Australian Securities &
Investments Commission

Committee	Parliamentary Joint Committee on Corporations and Financial Services
Inquiry	Oversight of ASIC, the Takeovers Panel and the Corporations Legislation No.1 of the 46th Parliament
Question No.	016
Date	26 November 2021
Topic	Cryptocurrency and A One Multi investigation
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Committee member	Senator O'Neill

Question

Senator O'NEILL: ASIC recently tracked down the crypto assets of a man who they suspect orchestrated a fraud, as I understand it. I think it was A One Multi, Aryn Hala—is that the correct way to say it? I'm just seeking clarification if that's correct.

Mr Longo: I asked a similar question. I'm just trying to get my notes on it. I'll ask General Counsel Savundra to—

Senator O'NEILL: If that's correct and you've got some info, I'll ask my question and then it might all come together in one rush of an answer. Does it concern ASIC that its asset tracing was impeded by exchange operators not initially being able to identify their clients—which goes to some questions that we asked earlier—and the intersection with AML/CTF challenges? What is a cold wallet? How does that form part of my understanding of what happened in this case?

...

Mr Day: But, in terms of the matter at hand, I'm not able to assist.

Senator O'NEILL: Thank you. Mr Savundra?

Mr Savundra: I'm not sure I can assist you much more; we can take that question on notice. ... By way of very preliminary comments, it's obviously a more difficult exercise for ASIC to identify whether any individual holds crypto assets. We have various means of doing so, but they're not as easy as identifying assets which are held by way of, say, real property where we can go to property registers, or in terms of bank deposits when we can identify, through the use of coercive powers, what money is held by whom and in what accounts. So it is a more difficult exercise. Nevertheless, we are more consistently identifying crypto assets in our asset freezing action and freezing them when we are able to identify them.

Answer

ASIC is investigating A One Multi Services Pty Ltd ("**A One**"), Mr Aryn Hala and Ms Heidi Walters for suspected contraventions of the *Corporations Act 2001* (Cth). The investigation involves crypto assets among other things. Cryptocurrency exchanges can provide valuable assistance to ASIC in tracing crypto assets. In this case, while the cryptocurrency exchange did not initially identify accounts relevant to the A One matter, it subsequently identified those accounts and produced relevant information. Apart from a short delay, the initial failure to identify the relevant accounts has not impeded ASIC's investigation. The information produced by the cryptocurrency exchange included customer identification information, which is ordinarily required to be collected and verified pursuant to AML/CMF regulations.

A cold wallet is a specialised offline device like a USB that holds the 'keys' to a person's cryptocurrency accounts. In this case, ASIC sought information from the cryptocurrency exchange to seek information relevant to the investigation, including to assist with identifying any cold wallets.