

**HOME AFFAIRS PORTFOLIO
AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE (AUSTRAC)**

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Parliamentary Joint Committee on Corporations and Financial Services

QoN Number:

Subject: South American cartel money laundering

Asked by: Senator O'Neill

Question:

Mr Soros: ... Banks can only form a suspicion if they have information about something. A transaction coming into or going out of the country doesn't automatically involve a breach, unless the company has information to determine that it's suspicious.

Sometimes a bank will have information in relation to that, but sometimes they won't, and sometimes a law enforcement partner or an international crime-fighting partner will have information. It's not automatically a breach if that money comes in, unless a bank can determine that it's suspicious. And that's why the ecosystem isn't just a singular, sole focus. It relies on police, it relies on national security agencies, it relies on regulators and it relies on businesses to form that joint picture.

Senator O'Neill: ... if the ecosystem that you just described was actually working, I doubt that \$500 million would have been able to be laundered. And I expect that's just the tip of the iceberg. That's what I'm concerned about.

So, could you **take on notice** as to what AUSTRAC intends to do, in terms of advising those 16,000 companies you're interacting with - to take better action, to be more engaged with that ecosystem, so that Australians don't have this sort of thing happening to our biggest institutions.

Answer:

AUSTRAC works to provide continuous guidance to industry on money laundering obligations and trends in financial crime. AUSTRAC develops new guidance and information based on research and ongoing consultation to ensure content meets reporting entities' needs.

AUSTRAC leverages international efforts in relation to identifying and reporting money laundering and terrorism financing methodologies. The joint *Egmont/Financial Action Task Force Trade-Based Money Laundering 2020 Update* is a recent example provided to Australia's 16,000 businesses to enhance their

understanding of criminal efforts to undermine the ecosystem, and how they can strengthen their systems and processes against such abuse.

| | | |
|---|-------|---------|
| Date Approved: 8 April 2021 | | |
| | | |
| Consultation: N/A | | |
| Additional Clearance from: (Highlight applicable) Statistics | Legal | Finance |