



**CHARTERED SECRETARIES
AUSTRALIA**

Leaders in governance

15 November 2006

Committee Secretary
Senate Legal and Constitutional Affairs Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

By email: legcon.sen@aph.gov.au

**Anti-Money Laundering and Counter-Terrorism Financing Bill
2006**

Chartered Secretaries Australia (CSA) welcomes the opportunity to again comment on the Anti-Money Laundering and Counter-Terrorism Financing Bill 2006, which clearly shows the Government's willingness to have regard to a large number of the key issues that were raised by industry in the process of consultation. CSA is the peak professional body delivering accredited education and the most practical and authoritative training and information on governance, as well as thought leadership in the field.

CSA notes that the Government has met the concerns of many in industry in relation to recognising existing industry structures and regulation in the development of the revised Bill. CSA was particularly appreciative of the Government's concerns to alleviate the impact of the Bill on small to medium-size entities (SMEs). However, a couple of issues do remain unresolved.

Remaining area of concern

Guarantees

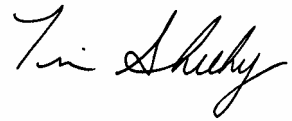
CSA believes that the manner in which guarantees are dealt with in the revised Bill has not addressed the concerns raised by a number of parties when commenting on the original Exposure Draft.

CSA recommends that the only requirements should be on the entity accepting a guarantee from someone, and that there should be no obligation on the person or entity offering to guarantee a loan. The lender should be required to perform identity checks and due diligence on the guarantor, but the guarantor should not be obliged to implement an AML compliance program, as is currently required in the revised Bill.

CSA has sought to address our remaining area of concern in this submission.

We appreciate the distance that the Bill has come from its original draft and note that this further amendment as suggested would ensure that the Government's policy objectives are achieved without unduly burdening business.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tim Sheehy". The signature is written in a cursive, flowing style.

Tim Sheehy
CHIEF EXECUTIVE