

Media Release

SENATOR THE HON. CHRISTOPHER ELLISON

**Minister for Justice and Customs
Manager of Government Business in the Senate
Senator for Western Australia**

E115/05

15 September 2005

**Joint Communiqué: Roundtable on Anti-Money Laundering and Counter-Terrorist Financing
between the Minister for Justice and Customs, Senator Chris Ellison, and representatives of the
Accountancy Sector**

The Minister for Justice and Customs, Senator Chris Ellison, held discussions in Canberra this week with representatives of the Australian accounting profession, to explore issues related to proposed anti-money laundering (AML) and counter-terrorist financing (CTF) reforms and prepare for the release of draft exposure legislation.

Senator Ellison met with representatives from CPA Australia, The Institute of Chartered Accountants in Australia and the National Institute of Accountants.

The purpose of the meeting was to examine issues arising for the accountancy sector as a result of implementing the Recommendations of the Financial Action Task Force on Money Laundering (FATF). The FATF's Recommendations are the recognised international standard in measures to combat terrorist financing and money laundering.

The accounting bodies support the Government's decision to implement the new AML/CTF system in stages with the initial phase of AML reforms covering accountants only when they provide designated financial services. A second phase of proposed reforms would consider extending coverage to other accounting activities, but this would occur after consultations on the initial reforms had been completed.

The profession is committed to working with the Government on detailed implementation issues and awaits the release of the draft exposure bill.

The meeting agreed that the new system should reflect a risk-based approach within a regulatory framework which allows the flexible application of obligations.

This approach would see principles-based legislation establishing a broad framework for the new AML/CTF measures, with provision for flexibility through regulations and agreed AML Rules, developed in consultation between industry and AUSTRAC allowing modifications in particular circumstances on the basis of the level of risk.

The proposed AML system will exempt existing customers from identification requirements unless specific risk-triggers are met. These risk-triggers will be set out in the Rules which will be agreed between industry and AUSTRAC.

The meeting agreed that new AML system should be developed with a view to avoiding unnecessary duplication of customer due diligence where multiple reporting entities are involved.

In line with the Government's commitment to minimise regulatory impact on small business, the meeting also recognised that the new reforms should strike the right balance between regulation and flexible and workable options for small and medium enterprises.

Senator Ellison was encouraged by the accounting sector's commitment and efforts in developing workable proposals that will strengthen Australia's AML and CTF systems and thanked all participants for their valuable contributions.

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