

8 March 2006

Mr Jonathon Curtis  
Secretary  
Senate Legal & Constitutional Affairs Committee  
Parliament House  
CANBERRA ACT 2600

Dear Mr Curtis

***Inquiry into the Exposure Draft of the Anti-Money Laundering and Counter-Terrorism Financing Bill 2005***

The Commissioner has asked me to respond on his behalf to your invitation to the Australian Federal Police (AFP) to make a submission to this inquiry.

The AFP supports in principle the Bill and its rules as the first stage of reforming Australia's Anti-Money Laundering (AML)/Counter-Terrorist Financing (CTF) system and addressing the findings of the mutual evaluation of this system undertaken by the Australian Government and the Financial Action Taskforce (FATF) in 2005. Law enforcement will be a key partner to AUSTRAC in the implementation of the Bill and its rules when they become law.

The AFP supports the approach put forward in the Bill of articulating the principles of the AML/CTF system, associated responsibilities, powers and offences in the Bill and developing, in consultation with the affected industries and law enforcement, the rules which allow for a risk-based approach to meeting the obligations established by the Act. The AFP believes this approach will ensure that industry is aware of its obligations and that there should be technologically neutral means for the full range of businesses and individuals who will be subject to those obligations to comply with them. The Bill also provides appropriate compliance and enforcement mechanisms to address the real risks Australia faces from money laundering and attempts to finance terrorist activity using Australian institutions and their overseas counterparts.

The AFP recognises that a number of issues have been identified by the Attorney-General's Department (AGD) in the exposure draft Bill, and the rules, for comment. These are likely to be the subject of further consultation with industry and consideration by the Government once

the exposure period is over. The AFP, in consultation with AGD and AUSTRAC, is finalising its position on these issues.

The AFP is also committed to providing comments on the Bill, and its rules, to the exposure draft process being managed by the AGD and AUSTRAC.

The AFP would welcome the opportunity to appear before your committee to assist in your deliberations on the Bill.

Yours sincerely

Peter Drennan  
National Manager  
Economic and Special Operations