

19 December 2016

Director  
Rules  
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MELBOURNE VIC 8010  
By email [aml\\_ctf\\_rules@austrac.gov.au](mailto:aml_ctf_rules@austrac.gov.au)

Dear Sir/Madam

## Draft consultative approach for AML/CTF Rule amendments

The Australian Bankers' Association (**ABA**) appreciates the opportunity to provide AUSTRAC with comments on the *draft consultative approach for AML/CTF Rule amendments*.

With the active participation of its members, the ABA provides analysis, advice and advocacy for the banking industry and contributes to the development of public policy on banking and other financial services. The ABA works with government, regulators and other stakeholders to improve public awareness and understanding of the industry's contribution to the economy and to ensure Australia's banking customers continue to benefit from a stable, competitive and accessible banking industry.

The ABA and its members have no comments on the proposed restructure of the AML/CTF rules compilation; the revised structure that AUSTRAC proposes is logical and sensible.

The ABA has concerns that the restructure will unintentionally alter the substantive content and underlying obligations; banks will therefore need to expend resources reviewing the restructured rules to ensure ongoing compliance, and will also need to update their internal processes and procedures to reflect the new numbering of the restructured rules, so there will be costs.

### ABA recommendation

The Attorney-General's Department (**AGD**) has now published the project plan and commenced numerous consultations for the implementation of the 84 recommendations arising from the statutory review of the AML/CTF Act (**the review**). It is now clear given the quantum of reforms that the proposed 2-phase process of 1) restructuring of the rules, and then 2) simplification of rules, should now be combined for efficiency.

The ABA proposes that AUSTRAC combine and commence the restructure and simplification concurrently and as early as possible in 2017 as many of the recommendations of the review will require updated rules. By combining the two phases, industry will be able to save resources by only having to review and operationalise the AML/CTF rules restructure and simplification once.

The ABA appreciates that AUSTRAC and the AGD has expended a lot of effort planning these reforms to date, and as the plans for 2017 become closer and clearer we expect implementation plans will continue to be refined to ensure an efficient, cost-effective and successful implementation.

Yours faithfully

*Signed by*

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