

Anti-money laundering rules explained

Banks are central to detecting and reporting suspected financial crime, and are subject to Australia's anti-money laundering and counter-terrorism financing regime.

This fact sheet sets out what the law now requires of banks, and what it means for customers.

What the law requires of banks



Know who their customers are

Banks identify and verify customers, and keep customer information current over the life of an account.



Watch for unusual activity

Banks monitor customer activity and payments for patterns or activity that may indicate money laundering, terrorism financing or other financial crime.



Report to AUSTRAC

Banks report suspicious matters, cash transactions of \$10,000 or more, and international transfers to AUSTRAC as required by law.

What customers may notice

More frequent questions. Banks are required to keep customer information current over the life of an account. Some customers may be asked to re-confirm identity or contact details at times unrelated to a transaction.

More questions about the purpose and source of payments. Particularly for large, unusual or overseas transactions. Some customers may be asked about their source of wealth or source of funds, and asked to provide information or documents showing the source is legitimate.

Cash transactions and the \$10,000 rule

Banks must report cash transactions of \$10,000 or more to AUSTRAC, within 10 business days.

The obligation applies to physical cash only, not electronic transfers or card payments. It covers withdrawals as well as deposits. The report is filed after the fact. It does not hold up the transaction at the counter.

Tellers may ask for additional details if they suspect a customer is the victim of a scam.

Splitting a transaction for the dominant purpose of avoiding the report is a criminal offence.

\$9,000

+

\$2,000



When a bank asks about a payment

Banks check payments and account activity that look different from a customer's usual pattern. Being asked questions does not mean a customer has done anything wrong.

Providing the information the bank asks for is the fastest way through.

Bank branch and call centre staff asking these questions are often meeting a legal obligation, not making a judgement about you. Please treat them with patience and respect.

Does my bank have to give me a reason for closing my account?

There can be valid reasons for a bank not to explain its decision.

If a payment is held or an account is restricted

1. Respond to the bank's questions promptly. Delays can prolong a hold or restriction.
2. Provide relevant documents where you have them: a payslip, an invoice, a contract of sale. Records can help the bank complete its checks.
3. Contact the bank through its published channels if a hold is not resolved within the timeframe the bank has indicated.
4. If the matter remains unresolved, make a complaint to the bank. Every bank has a formal complaints process and must respond within set timeframes.
5. If the complaint is not resolved, escalate to the Australian Financial Complaints Authority (AFCA). AFCA's service is free for consumers and small businesses.