

File Name: 2008/04

General Manager
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23 January 2008

Dear General Manager

**DRAFT AUSTRAC GUIDANCE NOTE
ONGOING CUSTOMER DUE DILIGENCE**

The Association of Superannuation Funds of Australia (ASFA) would like to provide the comments below in relation to the Australian Transaction Reports and Analysis Centre's (AUSTRAC) document *Draft AUSTRAC Guidance Note, AML/CTF Compliance Officers*.

General comments

Overall, ASFA welcomes the release of the draft guidance note. However, given that the ongoing customer due diligence obligation set out in Division 6 of Part 2 of the Act does not commence until 12 December 2008, ASFA questions the brief period provided for comments.

Specific Comments

Section 2. Ongoing customer due diligence obligation

Paragraph 2.2

The structure of this paragraph makes it difficult to access the message. Perhaps, shorter sentences and simpler language would assist.

Basically, the message should be that the ongoing customer due diligence obligation applies in respect to the transactions of customers that relate to designated services provided by the entity. It is irrelevant whether the customer is a pre-commencement or a post-commencement customer or the customer has been deemed to be identified by the entity (as allowed for under section 38 of the Act).

Perhaps reference should also be made to Section 39 (2) of the Act and the proposed *AML/CTF Rules relating to customer identification procedures in certain circumstances - takeovers, schemes of arrangement, business disposals and business assignments* and how these 'acquired' customers are to be treated under this requirement.

Section 5. Components of ongoing customer due diligence

This section contains very good guidance for reporting entities to use in determining how to design information systems to assist in meeting the general requirement.

ASFA recognises that the task for the Regulator is to ensure that, as far as is practical, all appropriate suspicious matter cases are reported without there being significant over reporting.



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In this regard, some case studies, or scenarios, of customer due diligence leading to appropriate activity by the reporting entity and 'suspicious matter' reporting to AUSTRAC would assist reporting entities in their compliance task.

Section 7. *Privacy Act 1988 considerations*

The presence of this information is a very useful reminder to reporting entities of how their AML/CTF obligations intersect with other obligations.

Ongoing customer due diligence is an area where ASFA is considering producing further detailed guidance for superannuation funds on how best to meet their obligations.

If you have any questions or comments on this matter, please feel free to contact Robert Hodge, Principal Policy Adviser on 02 9264 9300 or by email rhodge@superannuation.asn.au.

Yours sincerely,

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