

**Draft Anti-Money Laundering  
and Counter-Terrorism  
Financing Rules relating to  
cashing out of low balance  
superannuation accounts**

ASFA Submission

September 2009

Association of Superannuation Funds of Australia

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**Please Note:**

This background paper provides general information and is not intended as advice specific for any individual superannuation fund or investment manager's portfolio. Although verification of the accuracy of the information contained in this paper has taken place, liability is not accepted for any errors or omissions that may have occurred.

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**General Manager**

Regulatory Policy

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Dear General Manager

**RE: Draft Anti-Money Laundering and Counter-Terrorism Financing Rules relating to cashing out of low balance superannuation accounts**

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 Anti-Money Laundering and Counter-Terrorism Financing Rules relating to cashing out of low balance superannuation accounts*.

ASFA has no issues with the drafting of this rule. In the limited cases where the rule can be applied it has the potential to significantly reduce fund processing costs and will pose limited risk of facilitating money laundering or terrorism financing activity.

However, it should be noted that the rule will have limited application.

Superannuation fund members have limited capacity to access their superannuation benefits before they attain their preservation age (currently age 55 and rising to age 60). This, combined with the long term nature of superannuation, results in the overwhelming majority of final account balances exceeding \$1,000.

If you have any questions or comments on this matter, please feel free to contact Robert Hodge, Principal Policy Adviser on 02 8079 0806 or by email [rhodge@superannuation.asn.au](mailto:rhodge@superannuation.asn.au).

Yours Sincerely

Melinda Howes

Director Policy and Industry Practice