

File Name: 2014/25

24 June 2014

Director - Rules
AUSTRAC
PO Box 13173
Law Courts
MELBOURNE VIC 8010

Email: aml_ctf_rules@austrac.gov.au

Dear Sir/Madam,

Draft Rules amending the electronic safe harbour procedures for customers

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission to AUSTRAC regarding Draft Rules amending Chapter 4 of the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1)* in relation to the electronic safe harbour procedures for customers.

About ASFA

ASFA is a non-profit, non-political national organisation whose mission is to protect, promote and advance the interests of Australia's superannuation funds, their trustees and their members. We focus on the issues that affect the entire superannuation system. Our membership, which includes corporate, public sector, industry and retail superannuation funds, plus self-managed superannuation funds and small APRA funds through its service provider membership, represent over 90% of the 12 million Australians with superannuation.

General comments

We note that reporting entities have requested changes to the Anti-Money Laundering and Counter-Terrorism Rules (AML/CTF Rules) following recent amendments made to in relation to customer due diligence, which inserted provisions relating to the identification of beneficial owners by reporting entities. These new provisions included 'safe harbour procedures' that may be applied to beneficial owners who have been identified as being of medium or lower money-laundering or terrorism-financing risk.

ASFA is supportive of the intent of the Draft Rules in terms of bringing the existing electronic safe harbour procedures for customers into line with the recently introduced electronic safe harbour procedures for beneficial owners.

Specifically, ASFA supports the proposed amendments in terms of the number of reliable and independent data sources that must be used to verify the individual's details. In our view, having consistency of operation across the AML/CTF Rules will reduce reporting entities' ongoing compliance costs.

ASFA has reviewed the Draft Rules and the explanatory note and considers that they will be effective in meeting the objective of the proposed change.

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Thank you for providing us with the opportunity to make this submission and to participate in the consultation process.

If you have any queries or comments regarding the contents of our submission, please contact ASFA's Senior Policy Adviser, Jon Echevarria, on (02) 8079 0859 or by email jechevarria@superannuation.asn.au.

Yours sincerely

Pauline Vamos
Chief Executive Officer