

Submission reference: 2015/04

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**Draft guidance note 15/01 – Key terms used in ‘politically exposed person’ definition**

In our submission to AUSTRAC, ASFA welcomed the release of draft guidance note 15/01 and advised that we are broadly comfortable with its contents. In our view, the guide will be of great assistance to reporting entities in understanding the key terms used in the ‘politically exposed person’ (PEP) definition contained in Chapter 1 of the AML/CTF Rules.

ASFA is particularly pleased that the terms “government minister”, “senior government official”, “high ranking member of the armed forces” and “state enterprise” have been clarified, as these were areas of particular concern for our members.

In addition, although not strictly associated with the PEP definition itself, we reiterated once again in our submission a number of issues previously raised by ASFA that significantly impact on the ability of superannuation trustees to comply with the proposed new/amended requirements to the AML/CTF Rules in relation to how reporting entities deal with PEPs.

These include issues regarding:

- the identification and verification of PEPs
- additional measures for customers who are foreign politically exposed persons
- factors to consider when conducting ML/TF assessment
- implementation arrangements.