



INSTITUTE OF
**PUBLIC
ACCOUNTANTS®**

**Anti-money
Laundering and
Counter Terrorism
Financing and Other
Legislation
Amendment Bill 2019**

December 2019

Introduction

The Institute of Public Accountants (IPA) welcomes the opportunity to respond to the House of Representatives Explanatory Memorandum for the **Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Bill 2019**.

The IPA is one of the three professional accounting bodies recognised in law in Australia, representing over 38,000 accountants and students throughout Australia and internationally.

The IPA prides itself in not only representing the interests of accountants but also small business and their advisors.

Please address any further enquires to Vicki Stylianou, Group Executive Advocacy & Technical via vicki.stylianou@publicaccountants.org.au.

12 December 2019

Committee Secretary
Senate Legal and Constitutional Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: legcon.sen@aph.gov.au

Dear Sir/Madam

Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Bill 2019

The IPA welcomes the opportunity to provide this submission in response to the abovementioned Bill.

The IPA is very supportive of changes that expand the relevant powers that lead to closing down anti-money laundering (AML) and counter-terrorism financing (CTF) activities. The IPA's UK operations have been working in this space for some years and that experience is helping to inform our Australian members who are predominantly but not essentially, involved in the small business sector.

As such, the IPA's focus in response to the Bill pertains to accountants and the need to educate them to ensure they understand the legislation and their responsibilities in signaling AML to AUSTRAC and relevant authorities. Our comments are summarised as follows:

- *expand the circumstances in which reporting entities may rely on customer identification and verification procedures undertaken by a third party.* The IPA supports this but flags whether there are similar processes in place with other agencies so as to avoid compliance duplication and associated costs.
- *expand exceptions to the prohibition on tipping off to permit reporting entities to share suspicious matter reports (SMRs) and related information with external auditors, and foreign members of corporate and designated business groups.* The IPA supports this recommendation.
- *provide a simplified and flexible framework for the use and disclosure of financial intelligence to better support combatting money laundering, terrorism financing and other serious crimes.* The IPA supports this and is committed to incorporate increased education within the IPA's continuous professional development (CPD) program for members.
- *deeming money or property provided by undercover law enforcement as part of a controlled operation to be the proceeds of crime for the purposes of*

prosecution. IPA agrees that this activity is important and may lead to greater deterrence.

- The IPA agrees overall that AML/CTF legislation is critical. However, we ask that compliance costs are considered in terms of the impact on small entities.

Yours faithfully

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