



**AUSTRALIAN BANKERS'  
ASSOCIATION INC.**

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Mr Daniel McAuliffe  
Manager, Banking and Capital Markets Regulation Unit  
Financial System and Services Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
Email: [unclaimedmoneys@treasury.gov.au](mailto:unclaimedmoneys@treasury.gov.au)

Dear Mr McAuliffe,

### **Banking Laws Amendment (Unclaimed Money) Regulation 2015**

The Australian Bankers' Association (**ABA**) welcomes the opportunity to provide comment on the Exposure Draft Banking Laws Amendment (Unclaimed Money) Bill 2015 and the Exposure Draft Banking Amendment (Unclaimed Money) Regulation 2015.

We acknowledge, and appreciate, that Treasury has addressed most of our previous comments and concerns regarding the unclaimed monies regime. These amendments will improve the application of the provisions and provide certainty about obligations for banks and their customers. Specifically, we support the following amendments:

- Confirming the unclaimed monies regime will return to a 7 year period (previously 3 years);
- Confirming the period before linked accounts, sub-accounts, frozen accounts and security, set-off or escrow accounts are considered unclaimed monies changes from 3 years to 7 years;
- Providing exemptions from the unclaimed monies provisions for children's accounts, in addition to Term Deposit accounts and facilities;
- Maintaining exemptions for Government-designated special purpose deposit accounts, such as Farm Managed Deposit (**FMDs**) accounts;
- Amending the requirement on Authorised Deposit-taking Institutions (ADIs) to transfer an account if the holder provides notification that the account is active after the account is assessed as unclaimed, but before the ADI transfers the account to the Government. (We note this is particularly important to ensure that customers are not required to arbitrarily conduct a transaction (deposit or withdrawal) in order to prevent their monies being transferred as unclaimed.);
- Improving customer privacy safeguards by removing the requirement for the Australian Securities and Investments Commission (**ASIC**) to publish an annual Unclaimed Moneys Gazette, and introducing secrecy provisions to limit access to information in the unclaimed monies database to those to whom the information relates, or their agent. (We note this is particularly important to ensure that customers are not exposed to risks, including fraud or scams.) Given this revision and the transition timeframe, can Treasury please confirm if there will be any changes required to the format or content of the annual statement issued by ADIs to ASIC that lists details of unclaimed monies transferred to ASIC?

**Timetable**

The ABA notes the regulations are scheduled to commence on 31 December 2015, requiring a change in reporting obligations for 2015. Even though the changes seek to extend the reporting obligation generally for bank accounts from 3 years to 7 years, to implement this change and demonstrate compliance, this will require changes to retail banking systems and manual processes.

For example, most banks begin the process of identifying unclaimed monies accounts in August each year, with communications sent out from September to customers alerting them to the unclaimed monies regime and the possibility of their account being captured as well as information about reactivating accounts, etc. Therefore, for clarity in process, banks will require confirmation of the application of the laws for the pending reporting period and the process by 31 July 2015, if banks are expected to comply by 31 December 2015.

The banking industry will, of course, endeavour to meet these timeframes and comply with the next reporting period, however, the ABA asks that ASIC adopt a 'facilitative compliance' approach in relation to changes to the requirements for the 2015 reporting period.

**Consumer information**

The ABA reiterates our recommendation that the Government undertake a public information campaign that explains to consumers the changes that have been made to the unclaimed monies regime, the reason for these changes, and the purpose of the unclaimed monies regime. To avoid consumer confusion, the campaign will need to go beyond targeted changes to the ASIC and ATO websites.

The ABA will amend and republish our fact sheet for banks and customers that explains the changes to the unclaimed monies regime.

The banking industry supports the amendments proposed in the Exposure Draft and we believe these will improve the efficiency of the unclaimed monies regime for the Government, consumers and the banking industry.

Yours sincerely,



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**Diane Tate**