

EASTERN & ALLIED

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To: Ms. Kathleen O'Kane
Black Economy Division
The Treasury
Langton Crescent
Parkes ACT 2600
Sent via email: blackeconomy@treasury.gov.au

Currency (Restrictions on the Use of Cash) Bill 2019

Dear Kathleen

Thank you for the opportunity to participate in the public consultation for the economy-wide cash payment limit and the development of the Currency (Restrictions on the Use of Cash) Bill 2019.

Further to our review and the discussion on Wednesday, 7 August 2019, we have given further thought to this draft legislation. We summarise our feedback below for Treasury's consideration.

Why AUSTRAC registered remittance businesses should be exempt from the cash payment limit

- AUSTRAC registered remittance businesses should be exempt from the cash payment limit, just as foreign currency exchange business will be. Many registered remittance businesses can only accept cash as a form of payment given the de-banking of AUSTRAC registered businesses that has started since 2013. Many do not have access to bank accounts to accept payment in the form of bank transfer, and those with bank accounts do not have certainty as to how long they will have the bank accounts for. Those remittance businesses without bank accounts can only accept cash payments and are required to use cash in transit providers (who themselves are exempted in the draft Bill) to manage their business operations. The application of the cash payment limit will mean that legitimate remittance businesses will not have a legitimate way to accept payment for their remittance services.
- We understand there are around 17.3 million transactions made through Australia's remittance sector each year. The cash payment limit will have a detrimental impact to the continuation of legitimate remittance providers to serve the various communities in Australia.
- AUSTRAC registered remittance businesses should be exempt from the cash payment limit and should continue to report the threshold transaction report (TTR) as the insights and intelligence gained from these reports is critical for AUSTRAC and other law enforcement agencies, and enables remittance businesses to form suspicions and report these via the suspicious matter report (SMR) to AUSTRAC



concerning money laundering or terrorism financing activities. AUSTRAC registered remittance businesses are businesses that are required to properly collect and verify Know Your Customer (KYC) information and also identify suspicious transactions including those that are structured to avoid TTR and SMR reporting. The rich data collected from TTR and SMR reporting enables law enforcement agencies to act quickly disrupt financial crime. This is evident in the Fintel Alliance created by AUSTRAC to bring together banks, remittance service providers and gambling operators, as well as law enforcement and security agencies from Australia and overseas. Exempting AUSTRAC registered remittance businesses aligns with the goals of the Fintel Alliance to share and analyse financial intelligence to investigate and disrupt criminal and terrorist activities.

Other considerations to consider for the draft Bill as it applies to all impacted businesses

- Series – Better clarification and examples should be provided to determine when a series occurs.
- Supply – Better clarification and examples should be provided to determine when a supply, especially considering payments for aggregated customers/products/services as well as international jurisdictions where Australian businesses are based, have operations (e.g. subsidiaries, outpost) or have partners it works with.
- Structured payments – Consideration as to when payments or acceptance of payments are structured to avoid the cash payment limit; and if this identification occurs what mechanisms are in place to report this structuring behaviour. We would consider those AUSTRAC registered remittance businesses well placed to identify and report on structuring.
- Payments involving cash-in-transit providers – Better clarification on whether businesses, specifically AUSTRAC registered remittance businesses who utilise cash-in-transit businesses to collect and process aggregate cash payments, would be exempted.

We understand that the intent is to implement cash payment limit on 1 January 2020 and for AUSTRAC registered remittance businesses to apply from 1 January 2021, however, we request for Treasury to consider our request for an exemption for AUSTRAC registered remittance businesses.

Thank you.



Yours sincerely
Dianne Nguyen
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Eastern & Allied Pty Ltd