

Release of report into suspicious matter reporting in the financial sector

30 November 2010

AUSTRAC has today released a report detailing the findings of its survey on suspicious matter reporting by the securities and derivatives sectors.

AUSTRAC Chief Executive Officer John Schmidt said the survey into these sectors' approach towards, and understanding of, lodging suspicious matter reports (SMRs) has been a valuable exercise.

'The analysis of the information provided by these two industry sectors - through the survey which took place in July - has enabled AUSTRAC to examine the overall capacity of these reporting entities to meet their obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*,' Mr Schmidt said.

The report provides an insight into how businesses identify matters for submission as SMRs to AUSTRAC. SMRs are a critical source of intelligence for Australian law enforcement agencies in combating serious criminal activity, including organised crime, terrorism financing, tax evasion and people smuggling.

'On the whole, reporting entities that responded to the survey, have indicated a good understanding of their SMR and related anti-money laundering and counter-terrorism financing compliance obligations. The survey found that these organisations have the capacity to detect a variety of potentially suspicious matters and this is encouraging,' Mr Schmidt said.

'The survey analysis has also identified areas where some reporting entities can improve their AML/CTF frameworks and I encourage compliance professionals in the sector to use the findings to strengthen their policies, procedures and systems where required.'

'Our role as Australia's anti-money laundering and counter-terrorism financing regulator is to help reporting entities improve their AML/CTF compliance and meet their reporting obligations, which in turn helps to ensure the robustness and integrity of Australia's financial system,' Mr Schmidt said.

More information about the AUSTRAC survey series and the report can be found at:

http://www.austrac.gov.au/survey_series.html

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