

EXPLANATORY STATEMENT

Cash Transaction Reports Act 1988 Cash Transaction Reports Regulations 1990 No. 36

Section 43 of the Cash Transaction Reports Act 1988 (the CTR Act) provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing matters required or permitted by the Act; or necessary or convenient to be prescribed for the carrying out or giving effect to the Act. Under section 42A the regulations may amend Schedule 1, 2, 3 or 4 by varying or omitting any of the details referred to in the Schedule or any matter contained in the Schedule; and by inserting new details, or other matter, in the Schedule.

The proposed Cash Transaction Reports Regulations will:

- . omit items 1 to 9 inclusive of Schedule 4 to the Act; and
- . substitute items 1 to 15 inclusive.

Details of the proposed regulations are as follows:

Clause 1: This clause is a formal provision identifying the Regulations as the Cash Transaction Reports Regulations.

Clause 2: This clause defines "the Act" to be the Cash Transaction Reports Act 1988.

Clause 3: This clause amends Schedule 4 to substitute new details as reportable details for the purposes of section 16 of the CTR Act. Section 16 requires certain financial institutions and other bodies involved in the financial market who are defined in section 3 of the Act to be cash dealers, to report to the Director of the Cash Transaction Reports Agency details of any suspect transaction to which the cash dealer is a party. A suspect transaction is one in relation to which the cash dealer has information which it has reasonable grounds to suspect may be relevant to the investigation of an evasion, or attempted evasion, of a taxation law, the investigation or prosecution of a person for an offence against a law of the Commonwealth or of a Territory, or may be of assistance in the enforcement of the Proceeds of Crime Act 1987. The Director of the Cash Transaction Reports Agency has also issued guidelines to assist cash dealers in identifying potential suspect transactions.

Cash dealers are required to report such transactions in the form approved by the Director and the report must contain the reportable details set out in Schedule 4 (to be amended by the proposed Regulations) and set out the grounds on which the cash dealer believes the transaction to be suspect. These reports are then referred to the relevant law enforcement agency for investigation.

The reportable details to be inserted into the Schedule by the proposed regulations are reflected in the form which has been approved by the Director for the reporting of suspect transactions which commenced on 1 January 1990 when section 16 came into operation.


Attorney-General