

Cash Transaction Reports Regulations (Amendment) 1991 No. 89

EXPLANATORY STATEMENT

STATUTORY RULES 1991 No. 89

Cash Transaction Reports Act 1988

Cash Transaction Reports Regulations (Amendment)

Section 43 of the Cash Transaction Reports Act 1988 ("the Act") provides that the Governor-General may make regulations for the purposes of the Act.

Under subsections 18(2) and 19(2A) of the Act, where a person opens or becomes the signatory of an account with a cash dealer, the account becomes blocked to withdrawals until the procedures provided under the Act and the Regulations for the verification of the identity of the person have been carried out.

Under subsection 18(5) of the Act, where an account becomes blocked under subsection 18(2) a cash dealer commits an offence unless, at the end of the day following the day that an account is blocked, the cash dealer gives the Cash Transaction Reports Agency ("the CTRA") written notice containing details of the blocked account.

Under subsection 18(5A) of the Act, where an account becomes blocked under subsection 18(2A), a cash dealer, who has been declared an identifying cash dealer under section 8A of the Act, commits an offence at the end of 14 days after the account becomes blocked, unless the identifying cash dealer gives the CTRA written notice of the blocked account. An identifying cash dealer is a cash dealer approved by the CTRA for the purpose of carrying out certain verification of identity checks to facilitate the opening and operation of an account.

Under paragraphs 18(10)(c) and (d) of the Act, regulations may prescribe:

- a day instead of the end of the day following the day that the account is blocked as specified in subsection 18(5); or
- a period instead of the period of 14 days specified in subsection 18(5A).

The purpose of the Cash Transaction Reports Regulations (Amendment) is to prescribe a period of 21 days in each case.

Under subsection 18(7) of the Act once an account becomes unblocked, because the verification procedures have been carried out, the cash dealer is then required to give notice of the unblocking to the CTRA within 14 days of the completion of the verification procedures.

Extending the periods under which notice of blocking must be given under subsections 18(5) and (5A) of the Act to 21 days, will, in many cases, enable cash dealers to give the notices of the blocking and subsequent unblocking of the account at the same time. This will enable the CTRA to identify immediately those accounts for which subsequent proceedings for forfeiture under section 19 of the Act cannot arise, and which are less likely to be associated with criminal activity.

The Cash Transaction Reports Regulations (Amendment) add a new Regulation 11B to the Cash Transaction Reports Regulations.

Details of the Regulations are as follows:

Regulation 1.1: This regulation is a formal provision identifying the Principal Regulations.

Regulation 2.1: This regulation inserts a new regulation 11B into the Principal Regulations as follows:

(i) Subregulation 11B(1) which prescribes, for the purposes of subsection 18(5) of the Act, the period of 21 days instead of the day first referred to in that subsection;

(ii) Subregulation 11B(2) which prescribes, for the purposes of subsection 18(5A) of the Act, the period of 21 days instead of the period specified in that subsection.

Attorney-General