

EXPLANATORY STATEMENT

Issued by authority of the Acting AUSTRAC CEO

Anti-Money Laundering and Counter-Terrorism Financing Act 2006

*Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment
(Chapter 1 Amendments) Instrument 2024*

AUTHORITY

1. Section 229 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)* provides that the AUSTRAC CEO may, by legislative instrument, make Anti-Money Laundering and Counter-Terrorism Financing Rules (**AML/CTF Rules**). The AML/CTF Rules are set out in the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)*.

PURPOSE AND OPERATION OF THE INSTRUMENT

2. The *Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment (Chapter 1 Amendments) Instrument 2024* (the Amendment Instrument) is a legislative instrument for the purposes of the *Legislation Act 2003*.
3. A Statement of Compatibility with Human Rights (the Statement) is included within this Explanatory Statement. The Statement was completed in accordance with the *Human Rights (Parliamentary Scrutiny) Act 2011*. The overall assessment is that the Amendment Instrument does not engage the applicable rights or freedoms.

Background

4. The Amendment Instrument updates each reference to the *Statutory Declarations Regulations 2018* in Part 1.2 of the AML/CTF Rules with a reference to the *Statutory Declarations Regulations 2023*, which commenced on 1 January 2024.

CONSULTATION

5. As the amendments to Part 1.2 are machinery in nature, no consultation was undertaken.

REGULATION IMPACT STATEMENT

6. The Office of Impact Analysis has advised that an Impact Analysis Statement is not required as the amendments to the AML/CTF Rules are unlikely to have a more than minor regulatory impact.

SUNSETTING

7. Under item 6 of Regulation 12 of the *Legislation (Exemptions and Other Matters) Regulation 2015* the Amendment Instrument is not subject to sunseting.
8. The AML/CTF Rules are designed to be enduring because they:
 - (a) complement and provide the detail for the broader obligations set out in the AML/CTF Act, aid in meeting Australia's international obligations and matters of international concern, and support the combatting of money laundering and terrorism financing,
 - (b) assist industry in fulfilling their compliance with the AML/CTF Act and provide commercial and regulatory certainty for industry, and
 - (c) are subject to an ongoing process of development, refinement and review, involving scrutiny and feedback from a wide range of stakeholders including industry, the Financial Action Task Force, Australian Government agencies, law enforcement agencies, and other interested parties.

ATTACHMENT A

Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment (Chapter 1 Amendment) Instrument 2024

Section 1—Name

This section provides that the name of the Instrument is the *Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment (Chapter 1 Amendments) Instrument 2024*.

Section 2—Commencement

This section provides for the commencement of each provision in the Instrument, as set out in the table in subsection 2(1).

The amendments in Schedule 1 commence on the day after registration.

Section 3—Authority

This section provides that the Instrument is made under section 229 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

Section 4—Schedules

This section provides that each instrument specified in a Schedule is amended or repealed as set out in the applicable items in the Schedule concerned.

Schedule 1 – Amendments

Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)

Notes on items

Item 1—Part 1.2 (definition of *certified copy*)

This item replaces each reference to Schedule 2 of the *Statutory Declarations Regulations 2018* with a reference to Schedule 1 of the *Statutory Declarations Regulations 2023*.

Item 2—Part 1.2 (definition of *certified copy*)

This item updates the Note to the definition of certified copy by replacing the reference to the *Statutory Declarations Regulations 2018* with a reference to the *Statutory Declarations Regulations 2023*.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny)
Act 2011*

Australian Human Rights Commission Regulations 2019

***Amendments to the Anti-Money Laundering and Counter-Terrorism Financing Rules
Instrument 2007 (No. 1) (AML/CTF Rules) amending Chapter 1***

1. This Disallowable Legislative Instrument (the **Instrument**) is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Instrument

2. The Instrument updates each reference to the *Statutory Declarations Regulations 2018* in the definition of *certified copy* in Part 1.2 of the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument (No.1) 2007* with a reference to the *Statutory Declarations Regulations 2023*, which commenced on 1 January 2024.

Human rights implications

3. The *Human Rights (Parliamentary Scrutiny) Act 2011* requires that Statements of Compatibility must be made by the rule-maker with regard to disallowable legislative instruments, and must contain an assessment of whether the legislative instrument is compatible with the rights and freedoms recognised in the seven core international human rights treaties that Australia has ratified.

4. The Instrument contains amendments that are machinery in nature and does not engage any of the applicable rights or freedoms.

Conclusion

5. This Instrument is compatible with human rights.

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