FINANCIAL INTEGRITY HUB INSIGHTS

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FINANCIAL INTEGRITY HUB

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ABOUT US

The Financial Integrity Hub (FIH) is a leading research centre for research in financial crime.

We aim to foster collaborative partnerships that enhance our research capabilities. We are dedicated to working closely with academia, and the public and private sectors to develop innovative approaches that address the complexities of financial crime and achieve meaningful contributions to integrity measures.

At the core of our mission is the development of a vibrant and engaged community. We are committed to nurturing an inclusive environment that promotes creativity, embraces diversity and promotes continuous learning.

We thank our authors for providing their opinion pieces, which enables us to provide our readers with the latest updates, insights, and valuable content.

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We thank our partner, WhiteLight AML, for their collaboration, which enables us to provide our readers with the latest updates, insights, and valuable content.

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WELCOME TO FIH END OF YEAR EVENT

Patricia Bergin

Image: Taken at the Financial Integrity Hub's End of Year event, 'The Future of Financial Crime Prevention in Australia' hosted by KMPG, Sydney.

Although there has been an understanding for many years that there are two certainties in life, death and taxes, may I suggest an addition – the existence of financial crime.

Its attributes change and adjust to meet the needs of this criminal community in averting the gaze and reach of government and law enforcement institutions and operatives.

Flexibility and innovation are now the attributes of those within what might be regarded as a smarter cohort of criminals designing clever methods of perpetrating their crimes driven by base greed and power.

It was forty years ago when the late Hon RP Meagher, former Judge of Appeal of the NSW Court of Appeal, then President of the NSW Bar Association speaking at a Conference in Hong Kong, caused some consternation when he compared the approaches that law enforcement and the judiciary took to what was in those days referred to as "blue collar" and "white collar" crime, suggesting, correctly you might think, that we had failed to properly prosecute and sentence those guilty of the latter.

It was not clear at that time whether it was a lack of resources or commitment or understanding of the modus operandi of those involved in white-collar or "financial crime".

It was the fact that, notwithstanding its obvious existence, it was not pursued with rigour and when pursued the comparative sentencing demonstrated a lack of appreciation of its reach and seriousness. Sadly, this created a fertile environment for the growth of organised crime.

The tentacles of the modern financial criminal cohort spread far and wide. In his Opening Keynote Address to the Association of Litigation Funders of Australia, Chief Justice Bell referred to a recent report which called for more disclosure of the source of funds for funding litigation in light of the published claim that "sanctioned Russian oligarchs have been using litigation funding to evade US sanctions in US Courts".

Why would one think that it would be contained withing the borders of the USA. Diligence in detecting similar conduct in our community must be heightened as class actions and litigation funders proliferate with the imperative of identifying the source of multi-million dollars in funding of court actions – one might ask what better way to clean money than with the imprimatur of a court order. You might think that much thought and work needs to be done in this area.

During his US Presidential election campaign, President-elect Donald J Trump promised a "crypto-friendly administration" and the establishment of a "crypto advisory council".

It has been recently reported that numerous entities from both the public and private sectors, are vying for a position on the advisory council, which is proposed to be influential in the development and implementation of the President's economic policies. It is anticipated that the advisory council may include enforcement representatives and former policymakers. We have seen the positive effect of these declarations on bitcoin value.

Whatever be the trajectory and commercial realities of the crypto marketplace into the future, its vulnerabilities to the further infiltration of organised crime and money laundering are certain.

Technological advances combined with the greater sophistication, flexibility and innovation of bad actors require the urgent ratcheting up of education, resourcing, policy development and enforcement in response to these clear and present realities and further threats.

Of course, if President-elect Trump were to be educated on the fine work that the Financial Integrity Hub of Macquarie University is doing, he would find an immediate source of trusted guidance for sensible policymaking in this environment.

The FIH's independence and focus on the integrity of financial systems with its publications, podcasts, seminars and symposiums have transformed a previously rather disparate community including exquisitely experienced professionals, and academics. Law enforcers and members of affected and interested institutions into a combined force of achieving its aim to be a leading think tank in this very important area.

The Honourable Patricia Bergin AO SC, Patron of the Financial Integrity Hub. Welcome notes delivered at the Financial Integrity Hub End-of-Year Event 2024.

AUSTRALIA'S ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING LAW REFORM

Image: Taken at the Financial Integirty Hub's End of Year event, 'The Future of Financial Crime Prevention in Australia' hosted by KMPG, Sydney. Pictured from left: Jeremy Moller, Sue Bradford, Honourable Patricia Bergin AO SC, Isabelle Nicholas, Doron Goldbarsht, Jamie Ferrill, Paul Jevtovic APM OAM, Elizabeth Sheedy, Armina Antoniou, Tony Prior.

Introduction

In this issue of FIH Insights, we consider the passing of the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024 (AML/CTF Bill, or the Reform) in Parliament. The Reform intends to amend the current AML/CTF regime to meet international standards imposed by the Financial Action Task Force (FATF), a global policy-making body that sets international standards on AML/CTF. The changes to the AML/CTF regime strengthen the existing frameworks to better address the evolving threats posed by money laundering, terrorism financing, and other serious and organised crime.

The Financial Integrity Hub (FIH) has contributed to advancing the Reform through its targeted dissemination of knowledge and collaborative initiatives. By fostering cross-sector dialogue and providing expert insights, the FIH has reinforced its position as Australia's leading research centre in financial crime. Notable contributions include two detailed submissions to the Attorney-General's Department on proposed AML/CTF Reform, specifically addressing the inclusion of Tranche 2 entities under the AML/CTF regulatory framework; high-level conferences featuring Senator Deborah O'Neill and Senator David Shoebridge, emphasising the urgency of legislative updates; over five research papers published on the reform and its impact on the legal profession, along with two op-eds in the Law Society Journal spotlighting critical reform perspectives and suggesting a model for the Reform. The FIH's knowledge-sharing initiatives have included webinars with global experts, a capacity-building seminar co-hosted with AUSTRAC, and the inaugural Financial Integrity Insight Summit featuring leaders from academia, industry, and government, with a dedicated panel on the suggested AML/CTF Bill and the risk of greylisting. Complemented by innovative outreach efforts, such as two podcast episodes on real estate and Tranche 2 and publications on red flags for gatekeepers, FIH's impactful work underscores the importance of research-driven advocacy and collaboration in tackling the complex challenges posed by financial crime. It is great to see how our advocacy has had a real impact on the Reform.

The reform will:

- **Expand the AML/CTF regime to certain high-risk services provided by lawyers, accountants, trust and company service providers, real estate professionals, and dealers in precious metals and stones – also known as 'tranche 2' entities;**
- **Improve the effectiveness of the AML/CTF regime by making it simpler and clearer for businesses to comply with their obligations; and**
- **Modernise the regime to reflect changing business structures, technologies and illicit financing methodologies.**

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (*AML/CTF Act*) sets out key obligations for reporting entities regarding money laundering and terrorism. It also establishes the Australian Transaction Reports and Analysis Centre's (AUSTRAC) powers, providing a framework to share financial intelligence with revenue and law enforcement agencies. Australia's AML/CTF regime is set to be comprehensively assessed by the FATF over 2026/2027. A weak assessment for national compliance in globally recognised areas of vulnerability could (arguably) place Australia at risk of being grey-listed by the FATF, causing serious economic and reputational consequences. From 31 March 2026, higher-risk professionals ('gatekeepers') such as lawyers, accountants, real estate professionals, and dealers in precious metals and stones will fall under AUSTRAC's regulation. While the Bill has passed, there are challenges we must address to ensure implementation is timely and effective. These amendments provide an opportunity to re-think the way we detect, deter, and disrupt financial crime in Australia.

AML/CTF REFORM IN AUSTRALIA

Evan Gallagher

It is a fascinating time to be working in anti-money laundering and counter-terrorism financing (AML/CTF). Australia has just enacted the most significant reforms to its AML/CTF regime in a generation. The reforms are extensive and ambitious. They will bring Australia up to speed with global best practice embodied in the Financial Action Task Force (FATF) standards. They build on nearly two decades of AUSTRAC's operational experience as a financial intelligence unit and AML/CTF regulator. And they address feedback from reporting entities about particular points of friction and inefficiency.

Broadly, the reforms achieve two objectives: delivering the long-discussed 'tranche 2' reforms, and overhauling Australia's existing AML/CTF regime to simplify and modernise it in fundamental ways.

The tranche 2 reforms will from 1 July 2026 close significant regulatory gaps in Australia. Certain services provided by professions such as lawyers, accountants, conveyancers and real estate agents, have long been recognised as at significant risk of misuse for money laundering and terrorism financing (ML/TF). Trust and company services can be misused by criminals in an effort to obfuscate ownership of assets, including proceeds of crime. Real estate is a highly attractive vehicle for investing and generating proceeds of crime for all the same reasons that it attracts legitimate investors.

Dealings in precious metals and stones, which are generally compact and easily traded, have also been recognised as subject to clear ML/TF risks, especially when precious metals and stones are traded for cash or virtual assets outside the regulated financial sector.

It would be wonderful to say that Australia was uniquely protected from these globally recognised risks, but AUSTRAC's Money laundering in Australia National Risk Assessment 2024 found a clear echo of this global experience in Australia. Left unaddressed, this would lead to increased harm to our community, including its most vulnerable members, as criminals more easily profit from their criminal activity.

Simplification of the regime was first recommended in the 2016 report of the Statutory Review of Australia's AML/CTF Regime. The regime is more effective when regulated businesses can prioritise mitigation of ML/TF risk rather than focus on legal risk.

Whether the reforms look and feel simple will be a matter of opinion—simplicity, like beauty, is in the eye of the beholder. However, the reforms have been developed with several concrete goals in mind that seek to deliver on the promise of simplicity.

First, the laws should be risk-based, even more so than the existing regime. The risk-based approach is the foundation of AML/CTF regulation globally. It allows businesses to allocate resources efficiently, focusing more on services posing higher financial crime risk and less on those with lower risk.

The simplification reforms will from 31 March 2026 put the risk-based approach up in lights. It is a quirk of the existing AML/CTF regime adopted in 2006 that while it was risk-based, there is scant reference to regulated businesses undertaking ML/TF risk assessments. It is (necessarily) inferred from other provisions. Under the reforms, risk assessments will be an integral, and expressly required, part of an AML/CTF Program. Undertaking an ML/TF risk assessment will be the first substantive obligation in the reformed Act.

Second, the laws should be focused on outcomes. AUSTRAC already regulates an extraordinarily diverse group of businesses, from sole traders through to some of the largest corporations in the country. With the passage of the tranche 2 reforms this diversity will only grow. It would not be possible to prescribe procedural obligations for such a diverse regulated population without having the legislation run to thousands of pages and potentially create conflicts with other regulatory frameworks. Focusing on outcomes avoids this, providing flexibility for businesses in different sectors to achieve those outcomes in the most efficient way for them. It also means businesses can build on, and extend where necessary, existing processes they have in place under other regulatory frameworks.

The new AML/CTF policies requirement is a prime example of this. AML/CTF policies sit alongside the ML/TF risk assessment make up a business's AML/CTF program, and respond to the risk identified and assessed in the ML/TF risk assessment. Under the reforms, AML/CTF policies must achieve two clearly articulated outcomes: they must appropriately manage and mitigate a reporting entity's ML/TF risks and they must ensure the reporting entity complies with its AML/CTF obligations. There are more detailed requirements in the legislation but all AML/CTF policies will be measured against these two overarching objectives.

Focusing on outcomes has advantages, but AUSTRAC recognises that it could be intimidating for some businesses, particularly smaller businesses and those sectors and professions new to AML/CTF regulation. Strong supporting guidance is absolutely fundamental to outcomes-focused laws and AUSTRAC has taken this to heart, dedicating significant resources to the development of guidance in the coming year.

There are, of course, other reforms of note to modernise the AML/CTF regime. Some of these could be an article in themselves, including moving the 'tipping off' offence to a harm prevention model and reforming the regulation of payments and other value transfers, and virtual asset services, to reflect the exponential innovation and development in these areas in recent years.

The passage of the AML/CTF reforms is really just the end of the beginning for AUSTRAC. The current consultation on AML/CTF Rules will continue until their finalisation in mid-2025. Development of guidance will occur in parallel. The input of AML/CTF experts and those in newly regulated sectors is essential to ensuring the reforms are effective and also work for businesses. In the end, we should remember that the aim of AML/CTF regulation is to protect our community from harm. The reformed laws should better equip AUSTRAC and regulated businesses, whether existing or new, to do this.

Evan Gallagher, Director, Policy Reform at AUSTRAC

HOW WILL AUSTRALIA PERFORM IN ITS NEXT FATF EVALUATION NOW THAT TRANCHE II ENTITIES ARE INCLUDED IN ITS AML/CTF SYSTEM?

Gordon Hook

The author was present at the 2005 FATF meeting when Australia was criticised during discussion of its 3rd round mutual evaluation report for omitting to include lawyers, real estate agents, accountants, trust and company service providers, and precious metal and gem dealers (Tranche 2 entities), in its AML/CTF reporting and supervision regime. Twenty years later, after a significant amount of policy effort and consultation, and 'dragging of feet', Australia has left a handful of countries behind that do not supervise these entities and has finally joined the global community to address the risks that serious financial crimes pose to the integrity of the international financial system.

Unlike the 2005 FATF Recommendations, technical compliance (i.e., getting laws and regulations compliant) is not the centre-piece of an effective AML/CTF system. The FATF has noted too often that many countries had, and continue to have, elaborate laws that comply with the strict requirements of the FATF Recommendations, but do not use those laws effectively to address financial crime, including money laundering, within their own borders and to give effect to international cooperation requirements to counter those crimes across borders. And while system-performance and effectiveness was a key concern for Australia's 2015 mutual evaluation (in which the author participated) the next FATF evaluation of Australia will focus almost entirely on how well Australia's reporting entities, including the new reporting entities, are meeting performance measures and targets for its AML/CTF system to be judged effective. Anyone who is familiar with the FATF effectiveness standards in its assessment methodology knows that these performance measures are difficult to achieve, especially in a short period of time before an evaluation.

W*hat are the some of the issues that Australia will face for the 2026 FATF assessment?*

Although Australia will likely be commended for including Tranche 2 entities in its reporting and supervision regime after a 20-year hiatus, Australia will nevertheless face a number of significant issues with its newly improved regime. Two are discussed briefly below. One relates to timeliness of Tranche 2 inclusion, and the other to a significant substantive point embedded in the new laws.

1. Timeliness

It will be too early in the life of Australia's extended reporting regime for the FATF to judge in 2026 whether the new entities are successfully mitigating their money laundering and terrorist financing risks. The phase-in period for the new entities after 2024 will not provide Australia with sufficient time to demonstrate with clear statistics and supervision efforts by AUSTRAC that they are effective. Even if there were no phase-in period, it would be an uphill battle for Australia to satisfy the FATF after only two years. New Zealand faced similar concerns in 2021 from the FATF after including these reporting entities in its regime in 2018. The three-year length of time before the FATF assessment was insufficient for New Zealand to demonstrate fully its effective risk mitigation performance. So technically Australia will be applauded, but the FATF will most likely comment that Australia is not effective in mitigating risks with its Tranche 2 entities. And, therefore, certain performance targets in the FATF's Immediate Outcome measures will be rated as falling into "failing" categories.

2. Lawyers

Lawyers, assessed as posing a 'high and stable money laundering vulnerability' in Australia's recent national risk assessment (NRA) of 2024, present unique issues for compliance and supervision. As stated in the NRA, they handle large volumes of cash and facilitate a large volume of incoming and outgoing international funds transfers further increasing their vulnerabilities. Yet they are unique reporting entities in that legal professional privilege will act as a barrier to reporting suspicious transactions of their clients. Under the new amendments, lawyers will not be required to file these reports if they are of the view that the information disclosed in a report would amount to a breach of legal professional privilege. This is a similar issue that Canada has been grappling with for over a decade ever since the Supreme Court of Canada agreed with the Federation of Law Societies[1] that, amongst other things, suspicious transaction reporting by lawyers would effectively co-op the legal profession to law enforcement, and in so doing require them to breach their duties arising from Solicitor-Client privilege (as it is referred to in Canada). Canada has yet to address this issue ahead of its upcoming evaluation in 2025 (before Australia's) for which it is already preparing. It will be interesting to see how the FATF deals with this issue in Canada to understand how it may deal with the similar issue in Australia. However, unlike Canada where Solicitor-Client privilege has been elevated by the Supreme Court to a constitutional principle, no such elevation has occurred in Australia. By comparison, lawyers in New Zealand and the United Kingdom have not been excluded from filing suspicious transaction reports on the basis of legal professional privilege. In New Zealand's case, lawyers have been filing such reports for almost 30 years (since 1996).

Whatever the outcomes of the FATF's evaluation for Australia it is certain that further work will need to be undertaken to bring Australia's AML/CTF regime into a fully compliant and effective regime fit to counter the negative effects of serious financial crime on Australia's financial system and, in turn, on the international financial system.

[1] Canada (Attorney General) v. Federation of Law Societies of Canada, [2015] 1 SCR 401.

Dr Gordon Hook, former APG Executive Secretary

A NEW ERA IN FINANCIAL INTEGRITY: TRANSFORMATIONAL CHANGES TO THE AML/CTF ACT AND RULES

Jeremy Moller

AML/CTF Bill

On 29 November 2024, Parliament passed the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024 (Cth) (Bill). The Bill amends the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (Act), making the most transformational changes since the Act commenced in 2006.

The amendments under the Bill impact both existing and future reporting entities, and have three key objectives:

1. To extend the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) regime to certain higher-risk services (designated services) provided by real estate professionals, professional service providers including lawyers, accountants and trust and company service providers, and dealers in precious stones and metals.
2. To improve the effectiveness of the AML/CTF regime by making it simpler and clearer for businesses to comply with their obligations.
3. To modernise the regime to reflect changing business structures, technologies and illicit financing methodologies.

The amendments are likely to result in approximately 90,000 new reporting entities. New reporting entities that provide designated services will need to enrol with the Australian Transaction Reports and Analysis Centre (AUSTRAC) by 31 March 2026 and comply with the Act by 1 July 2026. These designated services are seen to be the highest risk of money laundering for these sectors and include, for example, acting as an agent on the buying and selling of real estate.

Consultation into the Draft AML/CTF Rules

AUSTRAC has released its first consultation into the proposed new Anti-Money Laundering and Counter-Terrorism Financing Rules (Rules). Consultation will occur through two rounds of exposure drafts, titled 'Exposure Draft 1' and 'Exposure Draft 2'. The first round of consultation on Exposure Draft 1 is open for submissions until midnight on Friday 14 February 2025.

The Exposure Drafts will start providing more clarity to existing reporting entities on the impacts the reforms will have on their AML/CTF compliance. They will assist existing reporting entities to identify what components of their AML/CTF Programs may need to be amended in order for it to transition to the new requirements applying to AML/CTF Policies under the new laws.

AUSTRAC will amend the Rules framework by creating two separate instruments. Most rules will be included in a new instrument that will align with the amended Act and will be named the Anti-Money Laundering and Counter-Terrorism Financing Rules 2025 (New General Rules). Some existing exemptions to the current Act will be retained (where appropriate) in the existing Rules, which will be renamed the AML/CTF (Exemptions) Rules 2007. AUSTRAC states in the Consultation Paper that: "separating the rules instrument in this way ensures that laws of general application are confined to a single instrument, while existing exemptions are separated for reporting entities they affect."

AUSTRAC has also focused on modernising and simplifying the New General Rules by reorganising the relevant Rules into 'Parts', which are set out thematically, to mirror each obligation in the Act.

Responding Early and Preparing for the Future

Given the large volume of change to the Act and Rules, new and existing reporting entities can begin preparing by:

- Designated Services - Reviewing which new designated services may apply to their business.
- Risk Assessment - Conducting a risk assessment of their money laundering, proliferation financing and terrorism financing risk.
- Training - Undertaking training with respect to the changes to be implemented under the Bill and Rules (once finalised).
- Certification - Considering the level of training and certification of their current or proposed AML/CTF Compliance Officer.
- Policies - Assessing how their AML/CTF Policies will be drafted and amended in compliance with the Act and Rules (once finalised).

One reason for starting the transition early is that skills and resource in the job market will be scarce with many other existing and new reporting entities looking to hire during this period. Similarly, system change takes time when selecting and then implementing new technology.

With the Financial Action Task Force Mutual Evaluation to occur in 2026, there is a need for Australia to not only demonstrate technical compliance, but also a level of effectiveness. For Australia to be successful in this endeavour both existing and new reporting entities will need to start adapting to the changes under the Act and Rules.

Jeremy Moller, Senior Advisor (Special Counsel), Risk Advisory at Norton Rose Fullbright and FIH Leadership.

THE LONG-OVERDUE TRANCHE 2 REGULATION: WHAT NOW?

Anton Moiseienko

Grinch stealing Christmas – this is what the almost-stalled adoption of long-awaited financial crime reforms in Australia felt like for a moment in time. Just as the prospects of Tranche 2 regulations appeared to fade (yet again!), the parliament pushed through the Anti-Money Laundering and Counter-Terrorist Financing Bill 2024, almost literally at the eleventh hour. Not before time, many will say. Others will also point to the colossal amount of work that is now facing the government as a whole, and AUSTRAC in particular.

So far, AUSTRAC has demonstrated preparedness and efficiency. The exposure draft of new AML/CTF Rules is already public and open for feedback. Still, the challenge of supervising fourfold as many regulated entities as before, reportedly up to 90,000 or so, will be nothing but daunting. One can also be legitimately wary of the lessons that international experience holds: few governments, if any, have truly wrapped their arms around the problem of supervising dozens of thousands of diverse non-financial businesses, most of whom will have neither the expertise nor the resourcing found in the traditional financial sector.

For all the preoccupation with Tranche 2, Australia also continues to have to face other financial crime challenges in common with the rest of the world. Understandably, therefore, the AML/CTF Amendment Act 2024 traverses other territory, too. For instance, it expands the definition of virtual asset service providers – a change in terminology compared to the previously existing digital currency service providers – to align it with the FATF's five-pronged approach. This will require yet more supervisory effort on AUSTRAC's part, not least to identify Australian-based companies engaged in newly regulated services, such as crypto-to-crypto exchange.

Speaking of supervisory effort, one would be remiss not to mention the Australian Sanctions Office (ASO). Sanctions designations have continued to proliferate at a rate previously unseen, and the absence of clarity as to the application of certain key concepts, such as that of 'control' by a sanctioned person, compound the demand of businesses for guidance. Furthermore, as the ASO's representatives themselves remind the audience at outreach events, everyone in Australia must abide by Australian sanctions – or, bluntly put, their regulated population comprises the entire 26 million of Australians! This puts into perspective the serendipitously equivalent figure of $26 million allocated to the ASO to strengthen sanctions monitoring and implementation in the 2024 budget. How much can be done at $1 per head of population? We are about to find out!

Overall, it is a safe bet that financial crime and sanctions issues will continue to gain in profile and importance in 2025. The FATF's mutual evaluation of Australia is slowly but steadily approaching. In the meantime, sanctions will remain not only a practical means to shut nefarious actors out of the Australian economy, but also a symbolic indicator of alignment with like-minded nations. How the sanctions practices of the collective West will evolve with Donald Trump's second inauguration come January is one of the things to watch in this space.

In summary, we are entering a year of reforms and expansion on the regulatory front. Whether this will also translate into greater enforcement activity is another unknown. AUSTRAC's stance over the past five years or so has been increasingly muscular, as several banks and now casinos can attest to. Less has happened in the domain of sanctions enforcement, and it has been a while since we saw a sanctions evasion prosecution. In any event, there is little doubt that few if any businesses would like to tempt fate, and the whole spectrum of financial crime and sanctions issues will garner ever-greater attention.

Dr Anton Moiseienko, Senior Lecturer in Law at Australian National University

AML REGULATION FOR LEGAL PROFESSIONALS: LESSONS FROM THE UK

Katie Benson

The UK was an early adopter of AML regulation for 'gatekeeper' sectors. The Money Laundering Regulations 2003 applied obligations to carry out AML risk assessment, customer due diligence, training and record keeping and to maintain adequate risk-based policies, systems and controls – which had previously only applied to financial institutions - to legal professionals and other 'high-risk' service providers. The Proceeds of Crime Act 2002 established the requirement for members of sectors subject to the Money Laundering Regulations to report suspicions of money laundering acquired in the course of their business, through a criminal 'failure to disclose' offence (s.330). So, two decades later, what lessons does the UK experience hold for Australia?

Granular, contextualised understanding of risk

In UK and Australian National Risk Assessments, the legal profession is assessed as high risk/vulnerability for money laundering. However, the legal profession is diverse and money laundering and other illicit finance-related risks will vary across the legal services sector. For example, the nature of money laundering risk will be very different for a 'magic circle' (or equivalent) law firm and a small high street or rural solicitor, and will vary between firms providing different types of legal service. Level of risk will be influenced by the effectiveness of internal and external regulatory oversight, and risks will change over time. Therefore, a granular, contextualised understanding of risk/vulnerability across the legal sector, and the structures and processes within the sector that can create opportunities for money laundering, is crucial.

A collaborative approach

Legal sector regulators, professional bodies, and law enforcement/intelligence bodies, such as AUSTRAC, should work together cooperatively to ensure that (i) AML obligations are directed at areas of actual risk and take account of the nature and context of legal services provision; (ii) up-to-date information and intelligence is shared, where appropriate; and (iii) suspected enabling activity is effectively and proportionately detected, investigated and, where necessary, prosecuted. In recent years, the UK has established the Legal Sector Intelligence Sharing Expert Working Group (ISEWG) to improve intelligence and information-sharing between AML supervisory bodies and law enforcement, and has launched the first cross-system 'professional enablers strategy'. This reflects recognition of the need for a multi-faceted approach to the 'enabling' problem.

Guidance and support

Being subject to AML regulations undoubtedly brings challenges to legal service providers, especially small practices and sole practitioners who have fewer resources. It is important that the sector receives sufficient guidance and support to navigate the regulations, understand the risk-based approach, and implement required systems, policies and processes. In the UK, the Legal Sector Affinity Group (LSAG) provides extensive official guidance for lawyers and the Law Societies provide support through, for example, AML 'toolkits' and dedicated AML helplines. There are challenges particular to the legal sector, including potential conflicts with legal privilege. Lawyers need clear guidance on how to navigate these, and the AML regime should be designed to balance legal privilege with reporting obligations.

Source of wealth and funds

Due diligence processes cannot simply focus on client identification and verification. AML guidance for the legal profession in the UK makes clear that understanding the source of clients' wealth and/or the source of funds being used in a transaction are key processes for protecting practices from being used for money laundering. The extent to which the client's financial circumstances need to be understood and evidenced depends on the risk profile of the client or matter, and whether enhanced due diligence is required, for example if the client is a politically exposed person (PEP).

The passing of the AML/CTF Amendment Act is just the first step in bringing legal professionals and other 'gatekeeper' sectors into the AML/CTF regime in Australia. There will be challenges ahead, both for sectors that must implement the new obligations and for the authorities, in ensuring that the regime is appropriate, effective and not counterproductive. However, Australia has the opportunity to benefit from the experiences of other countries such as the UK, to learn from the challenges, developments and (ongoing) debates of the last two decades of AML regulation for legal professionals.

Dr Katie Benson, lecturer in criminology at the University of Manchester, UK, and Associate Fellow at the RUSI Centre for Finance and Security.

HOW MANY MORE LAWS BEFORE THE NEXT MUTUAL EVALUATION REPORT?

Nicholas Ryder

In order to address the threat of money laundering, the United Nations (UN) and the Financial Action Task Force (FATF) have developed a series of global anti money laundering (AML) mechanisms. Nation states are expected to implement the UN AML Conventions and adhere to the FATF Recommendations. How these standards are implemented and monitored has become is a key discussion point amongst policymakers, commentators, law enforcement agencies and the private sector. Australia, as one of the largest financial markets in the Asia-Pacific region, is susceptible to illicit financial activities. Australia introduced its first AML legislation by virtue of the Proceeds of Crime Act 1987, the Financial Transaction Reports Act 1988, the National Crime Authority Act 1984 and the Mutual Assistance in Criminal Matters Act (1987). As a result, Australia was described as 'one of the leaders in counter money laundering laws' and some aspects were regarded as groundbreaking. However, deficiencies were identified and there was a notable increase in the levels of money laundering activities in Australia. The FATF was critical of the basic levels of compliance with the Recommendations and Australia was described as one of the easiest places to launder money. The Australian government responded by introducing the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the Anti-Money Laundering and Counter-Terrorism Financing Rules 2007 and the Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008. Nonetheless, FATF concluded in 2015 Australia's AML/CTF laws contained a number of deficiencies and it as unsurprising that the Australian Attorney General proposed a series of recommendations that were implemented in the AML and Other Legislation Act 2020. In 2024 the FATF published its Enhanced Follow-up Report (EFR) which included technical compliance re-ratings. The EFR reported that the following Recommendations (13, 15, 17, 18 and 26) has been re-rated from Partially Compliant (PC) to Largely Compliant (LC). The EFR also noted that Australia had 18 Recommendations rated Compliant, 12 LC, 6 PC and 4 Recommendations rated Non-Compliant. In response, like many other countries Australia has implemented more laws to address the deficiencies identified by FATF before the next MER process that will start in 2025. For example, in December 2024, the Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024 received Royal Assent. The Act amends the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and seeks to ensure that Australia can deter, detect and disrupt money laundering and terrorism financing and meet the FATF Recommendations.

The Act has three important objectives:

- Expand the AML/CTF regime to additional high-risk services,
- Modernise the regulation of digital currency and of virtual asset and payments technology and
- Streamline and refine the AML/CTF regime to increase flexibility, minimise regulatory burden and improve compliance.

Australia has adopted an identical approach to that of the United Kingdom (UK), which according to FATF has the 'best' AML and CTF regime in the world. In response to the critical 2007 MER and prior to its 2018 MER, the UK introduced a plethora of financial crime related laws including the Bribery Act 2010, Financial Services Act 2012, Financial Services (Banking Reform) Act 2013, The Criminal Finances Act 2017, the Economic Crime (Transparency and Enforcement) Act 2022 and the Economic Crime and Corporate Transparency Act 2023. It is hoped that the reforms in both countries will improve its efforts to tackle financial crime. It is likely that more reforms will be required to not only address the emerging financial crime threats, but also to meet the changing nature of the FATF Recommendations.

Nicholas Ryder, Professor at Cardiff University School of Law and Politics

BREAKING BAD (HABITS): LAWYERS AND THE NEW ERA OF ANTI-MONEY LAUNDERING COMPLIANCE IN AUSTRALIA

Isabelle Nicolas

For decades, it has been widely realised that the most significant, high-end money laundering cases each involve sophisticated schemes that are often possible with the assistance of skilled professionals such as lawyers. Think back to the Panama Papers, an unprecedented leak of 11.5 million files from the database of the world's fourth biggest offshore law firm, Mossack Fonseca. This global scandal brought the threat to life – showing how criminals can take advantage of anonymous company structures to launder criminal proceeds, evade tax and avoid international sanctions. Given the pivotal role of legal professionals in advising and overseeing transactions, legal professionals are vulnerable to exploitation by criminals seeking to grow their operations and conceal their offending and wealth.

In Australia's latest National Risk Assessment on money laundering, lawyers were rated 'high' risk for abuse by criminals. While the magnitude of the risk is unclear empirically, the nature of the skills, services and advice offered by legal professionals are attractive to criminals who seek to create a veil of legitimacy over their illicit profits. If one considers the known methods of laundering the proceeds of crime, it is clear that this risk is not merely hypothetical.

The passage of the 2024 amendments to *the Anti-Money Laundering and Counter-Terrorism Financing Act (2006)* represents a significant development in Australia's anti-money laundering regime as it recognises the vulnerabilities associated with a wider range of high-risk services, including services that may be offered by legal professionals.

Legal professionals are well placed to detect money laundering and the law will now subject them to various preventative obligations. This follows a trend in AML policy towards the enlisting of private, non-state actors into a role in the policing of financial transactions to prevent the flow of illicit funds into the legitimate financial system. The preventative obligations include key requirements to undertake customer due diligence and submit suspicious activity reports to the National Financial Intelligence Unit ('FIU'). These obligations have their foundations in international frameworks, namely the soft-law Recommendations produced by the Financial Action Task Force ('FATF'), an inter-governmental body that develops and promotes policies to protect the global financial system against financial crime. Until now, Australia was one of a handful of countries to not comply with FATF Recommendations which require States to enforce preventative obligations on non-financial businesses and professionals, including lawyers.

In a recent report commissioned by the Law Council of Australia, Russ and Associates identified that despite the risk-averse nature of practitioners, there is an absence of controls and processes that make the legal profession vulnerable to abuse for money laundering. For example, practitioners do not always use independent sources of identity information to verify their clients before the establishment of a formal engagement. Furthermore, practitioners generally fail to make enquiries about the source of wealth or source of funds of a client in high-risk situations (such as complex and potentially opaque corporate structures or transactions involving trusts). It was found that oftentimes, lawyers would not ascertain a client's beneficial owners or controllers where the client is a corporation or a trust. The report also found that small to medium-sized firms are not undertaking checks to determine whether their clients

are Politically Exposed Persons ('PEPs') or whether their clients may be subject to formal sanctions. Failing to engage in these enquiries leaves an intelligence gap in Australia's AML regime, however, these obligations are now enshrined as key requirements in the AML/CTF Act. Implementing AML obligations on lawyers will help equip Australia's FIU, AUSTRAC, with a framework that utilises professional intelligence to investigate serious organised crime.

The legal fraternity's historical resistance to these reforms in Australia has been predominantly framed around liberal democratic notions that imposing AML obligations conflicts with a lawyer's professional obligations to protect their client's confidentiality and uphold legal professional privilege ('LPP'). To this end, preserving the legal profession's autonomy has been considered paramount to compliance with global policy objectives to fight financial crime. The problem with that position is that money laundering is a global problem that transcends borders. When countries apply the FATF standards inconsistently, it opens up significant loopholes that criminals can exploit, ultimately undermining effective international cooperation for the achievement of AML goals. Therefore, in addition to a self-serving rationale for compliance to avoid national scrutiny on the global stage, the regulation of professional service providers, including legal professionals, is necessary for the achievement of global AML efforts.

The successful implementation of AML obligations on lawyers in other common law jurisdictions demonstrates that legal professional privilege does not constitute an insurmountable barrier to the implementation of AML regulations for legal professionals, although, it must be carefully considered. Provided countries comply with global AML standards; each country is entitled to implement the FATF standards in a manner consistent with its national legislative and institutional systems. Ultimately, there is no 'one size fits all' approach to AML compliance, and each country has the autonomy to consider its LPP framework and devise AML duties that uphold fundamental client rights. Since the material scope of LPP is left to the discretion of States, the regulation of legal professionals is one of the most varied components of the AML regime around the world. Nevertheless, Australia has the benefit of learning lessons from compliant, comparable jurisdictions to ensure the implementation of these laws operate effectively.

Isabelle Nicolas, PhD Candidate (MQ), Associate Director – Financial Integrity Hub

INTERNATIONAL LESSONS FOR AUSTRALIA'S AML/CTF REFORMS

Derwent Coshott

The passage of the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024 represents a massive reform to Australia's Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) regime. For the first time, solicitors, conveyancers, real estate agents, accountants, precious stones and metals dealers, and trust and company service providers will be required to enroll with AUSTRAC, have an AML/CTF program, perform customer due diligence (CDD), make reports to AUSTRAC regarding suspicious transactions and activities, and keep records regarding all of these. Obligations which have been imposed on financial service providers, gambling businesses, and bullion dealers for years will now have to be complied with by a variety of different, and disparate, businesses; many of which are ill-equipped for what is to come.

Did Australia need these reforms? The answer is yes, but not necessarily because of the perceived threats posed by money laundering, terrorist or proliferation financing. Indeed, these are not even the actual reasons why these reforms have happened now, and with such rapidity. The real reason is that, without these reforms, Australia will be non-compliant with many of its international obligations.

Some may scoff at this. "Who cares about international law?" they ask. Afterall, Australia is a party to a number of international treaties that it has yet to properly implement into domestic law. But AML/CTF is different.

At an international level, AML/CTF is overseen by the FATF, an organisation of which Australia is a founding member. Its forty "Recommendations" represent the global standards for combating money laundering, terrorist and proliferation financing. Most importantly, countries are assessed for compliance with these Recommendations every ten years; and Australia is due to be assessed soon. As one of only a small handful of countries yet to bring lawyers, accountants, real estate agents, trust and company service providers, and dealers in precious metals and stones into the AML/CTF regulatory tent, Australia risks a bad evaluation. This can have practical implications. Australia, being seen as a riskier jurisdiction, could have additional costs and burdens placed upon Australian's doing business overseas. Further, if we accept that money laundering, terrorist and proliferation financing are genuine threats, then Australian's risk being asked the question: do we not care about fighting them?

Regardless, the reforms have passed the Commonwealth Parliament. They are here. They are the new reality that Australian businesses have to face.

But those international obligations, which are the cause of these new costs for businesses, can also be their guide. As we have seen in overseas cases, the FATF Recommendations will matter when it comes to determining what this reformed regulatory regime means. What does the risk-based approach mean, and how should businesses comply with it? It is very easy when major textual changes are made to an area of law to get caught up in how the text differs from the previous version. But it is essential to always keep in mind, especially when construing legislative changes, the question: why were these

changes made; what are they there for? This is why it is important to keep in mind those international obligations. Where was Australia compliant in our last FATF Mutual Evaluation and Follow-Up Reports? Where was Australia non, or partially, compliant? Why was it? Was a change to a particular section or rule made under the AML/CTF Act reforms to address this; or was it made to simply rephrase—to clarify, as was one of the purposes of the AML/CTF Act reforms—an existing obligation?

As businesses, and their advisors, face uncertainty around the newly reformed AML/CTF Act, they can, and should, look to what the FATF has said in its Recommendations, and in its additional guidance materials. They should look behind the text of the changes made to Australia's AML/CTF regime, and properly consider what those changes were meant to achieve: what has informed them, what are they supposed to do, and how are they supposed to operate? Again, the point of these reforms is to bring Australia into compliance with our international obligations. As such, the substance of these obligations can serve as a useful aide in determining exactly what is substantively required.

Dr Derwent Coshott, Senior Lecturer at the University of Sydney and FIH Leadership

SINK OR SWIM: TRANCHE 2 AML LEGISLATION AND THE CHALLENGES FACING SMES

Mike Kossenberg

As Australia's Tranche 2 AML/CTF legislation looms on the horizon, a wave of new compliance requirements is set to crash upon the shores of small and medium-sized enterprises (SMEs) in the real estate, accounting and legal sectors. These industries are largely made up of SMEs and they are about to navigate the same turbulent waters that earlier reporting entities faced under the original AML Act. Based on our experience at WhiteLight AML, the challenges they'll encounter are well-known but no less daunting.

The Learning Curve of AML Compliance

One of the most significant hurdles for SMEs entering the AML compliance regime is understanding what compliance truly entails. While most reputable AML advisory firms provide training for newly minted AML Compliance Officers (AMLCOs), we've observed that the knowledge doesn't always stick. This is particularly true for SMEs, where the AMLCO role often falls to someone whose primary focus is revenue generation, frequently a client-facing senior staff member with little or no AML experience. Selecting the AMLCO often feels like a game of drawing straws rather than a strategic decision.

Even with training, SMEs are often left to fend for themselves once the advisory project concludes. Many struggle to draft the policies and procedures needed to support their AML Program. Some don't write them at all. This gap in follow-up creates vulnerabilities that can snowball into serious compliance failures.

The Tranche 2 entities will likely face the same issues, compounded by their general unfamiliarity with AML obligations. Advisory firms have a golden opportunity here: offer periodic follow-ups to ensure their guidance doesn't end at delivery. By proactively checking that policies are written, procedures are implemented, and AMLCOs are confident in their roles, they can help SMEs avoid future headaches.

The Promise of Automation is a Potential Trap

Another pitfall SMEs often encounter is an over-reliance on technology. AML solutions are sometimes pitched as a magic wand, promising seamless compliance through slick automated systems. While tools for identity verification (IDV) and watchlist screening are indispensable, they aren't a replacement for genuine AML expertise.

We've seen SMEs buy into these promises, only to find themselves drowning in unresolved watchlist alerts and unfamiliar with enhanced customer due diligence (ECDD). For some, the first Independent Review is a rude awakening, revealing gaps that lead to expensive remediation needs and business disruptions. This isn't a failure of technology itself, it's a failure of understanding created by a lack of experience. AML solution vendors could mitigate this by offering more robust post-implementation support. If an SME lacks AML expertise, vendors should flag this and suggest additional training or a return to their advisory firm for guidance. While some vendors excel at this kind of customer care, many could do more.

the Tranche 2 Tsunami

With Tranche 2 legislation set to bring thousands of new entities into the AML/CTF fold, these challenges will only multiply. Advisory firms and technology vendors alike will be stretched thin, attempting to meet the demands of businesses grappling with unfamiliar and complex obligations.

The sheer scale of this expansion raises critical questions: How do we ensure SMEs are properly supported? How do we avoid the current "sink or swim" approach, where businesses either figure it out on their own or flounder under the weight of compliance?

Avoiding the Sink or Swim Scenario

We believe the solution lies in collaboration and foresight. Advisory firms, technology vendors and SMEs themselves must recognise that AML compliance isn't a one-and-done task. It's an ongoing process that requires continuous education, regular reviews and a willingness to adapt.

For advisory firms, this means stepping up to offer post-program delivery services. Whether periodic reviews, additional training or hands-on support with policy creation. For vendors, it's about looking beyond the sales pitch and providing the post-implementation hand-holding many SMEs desperately need. As for SMEs, they need to embrace the reality that AML compliance is an investment, not just a regulatory burden. Allocating resources to build internal expertise and leveraging external support where necessary will pay dividends in the long run.

The introduction of Tranche 2 is a moment of reckoning for Australia's SME-heavy sectors. The choice they face is stark: sink or swim. With the right support and mindset, they can do more than just stay afloat. They can thrive in a regulatory landscape that demands diligence and adaptability. Let's ensure they have the tools, training and on-going guidance to make that happen.

Mike Kossenberg, Head of Financial Crime Outsource Services at WhiteLight AML

CARPE DIEM: GETTING AUSTRALIA'S FINANCIAL CRIME RESEARCH AND TRAINING LANDSCAPE RIGHT

Andreas Chai

The recent passing of the new AML/CTF legislation has created a unique, once-in-a-generation opportunity to get our policy and institutional settings right to combat financial crime effectively and better safeguard the integrity of our financial system.

The challenges should not be underestimated. As highlighted by AUSTRAC's recent National Risk Assessment, Australia faces 'persistent and agile' criminal actors who make good use of the latest technology (including AI), have strong ties to our major trading partners in Asia, and exploit Australia's high demand for illicit drugs and attractiveness as a destination for illicit funds. Beyond this, there is also the political challenge: it is vital that concerns about compliance costs (particularly for small businesses) are addressed.

On the upside, being a late Tranche II adopter enables us to learn from the experiences of early adopting countries such as the UK, Singapore, and New Zealand. A key lesson from the UK is that it is crucial not to adopt a one-size-fits-all approach but instead adopt a 'bottom-up' approach by working directly from the outset with Tranche II governing bodies to design training and supervision processes that work for each segment of DNFBPs. The UK did so via the Office for Professional Body Anti-Money Laundering Supervision (OPBAS), which worked with 22 professional bodies. Despite its success, its 2019 report found that 91% of relevant UK professional bodies had not fully collected the information they needed to implement a risk-based approach. Will it take 15 years for professional bodies in Australia to collect the right information required to implement a risk-based approach?

Here, a missing piece of the puzzle is creating the right research and information environment where financial crime risks can be quantified and shared with Tranche II entities. In Australia, the Fintel Alliance has already delivered outstanding outcomes that are only made possible through multi-sector collaboration. Now is the time to consider how to build on these achievements in a way that assists the capacity of Tranche II to quickly assess and act on perceived risk. Many countries, including the Netherlands, the US, and Germany, have partnered with university researchers who can assist by conducting foundational research into financial crime typologies across different sectors, as well as financial crime literacy levels among Tranche II entities. Across a range of disciplines, including law, criminology, forensic accounting, and IT, increasing the depth and scope of financial crime research can help ensure all reporting entities have easy access to insights that assist in their efforts to monitor and report suspicious behaviour.

Another crucial issue is how we can assist 83,000 new reporting entities to acquire the skills, personnel, and organisational capabilities to meet their obligations. Australia's universities have stepped up to this challenge by providing innovative postgraduate and undergraduate programs that will both contribute to growing a new generation of domestically trained graduates and create inclusive pathways into the industry. Many current professionals in the industry talk about stumbling into the financial crime space, having started a career in a related field. This has to change: starting with high school students, more effort needs to be put into growing awareness about financial crime investigation as a career that not only offers professional growth but also makes a difference in the fight against financial crime.

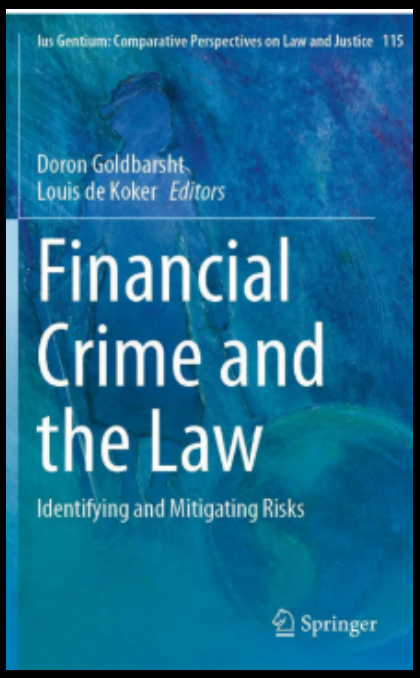
Beyond this, it may be prudent to learn from other industries that have mitigated skills shortages by growing consensus in the industry about what future workforce needs are via a workforce planning exercise that produces a job and skills roadmap that identifies the critical skills required across different roles and maps these to VET, higher education, and migration opportunities.

In conclusion, Australia stands at a pivotal moment in its fight against financial crime. The new AML/CTF legislation offers a rare chance to reshape our approach and learn from what has worked in other countries. By fostering a robust research environment, enhancing collaboration across sectors, and investing in education and training, we can build a resilient capability that supports new Tranche II entities and especially small businesses in reducing their compliance costs.

Dr Andreas Chai, Griffith University, Professor at Griffith University

RESEARCH AT FIH

Financial Crime and the Law: Identifying and Mitigating Risks



Edited by Doron Goldbarsht and Louis De Koker, this collection delves into financial crimes like crypto crime, terrorist financing, and money laundering. It offers insights into risk-based compliance, challenges in regulating weapons of mass destruction financing, and the connection between cannabis regulation and money laundering. The book also critiques the effectiveness of the risk-based approach, highlighting concerns about bias and the role of Financial Action Task Force (FATF). Essential for professionals and scholars, it deepens understanding of the complexities in financial crime risk management.

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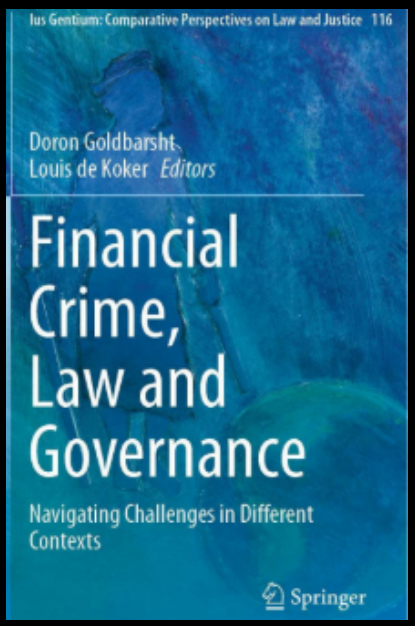
Financial Crime, Law and Governance: Navigating Challenges in Different Contexts



Edited by Doron Goldbarsht and Louis De Koker, this collection was curated by leading researchers to explore the dynamic landscape of global financial crime. It offers profound insights into the nuanced world of financial crime across diverse jurisdictions including Australia, Germany, New Zealand, Nigeria and the United Kingdom. While global standards on financial crime have solidified over the past three decades, the future direction of standard-setting and compliance enforcement remains uncertain in the complex global political landscape.

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RESEARCH AT FIH

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Australia's Financial Integrity: A Global Compliance Approach to AML/CTF

Co-authored. by Doron Goldbarsht & Isabelle Nicolas, this book provides readers with a comprehensive understanding of the measures adopted by Australia to address global anti-money laundering and counter-terrorism financing standards set by the Financial Action Task Force (FATF). The book is structured in a way that reflects and aligns with the global standards set out by the Financial Action Task Force (FATF). Each chapter helpfully adopts the title of one of the FATF's 40 recommendations, including those recommendations and their interpretive notes, followed by questions and answers. This book's unique structure breaks down complex research findings into simple, digestible insights for practitioners and students.

FIH PODCAST

Available on Spotify now!

Season 2 of the Financial Integrity Hub's Podcast is live!

The Financial Integrity Hub hosts regular podcasts, featuring speakers with financial crime and compliance expertise. Each podcast involves an interview with a global or local expert, allowing the Financial Integrity Hub to harness critical voices and ensure the Financial Crime community can stay up-to-date on the latest AML/CTF challenges and trends.

You can listen to all of season 1 on Spotify or on our Youtube channel.

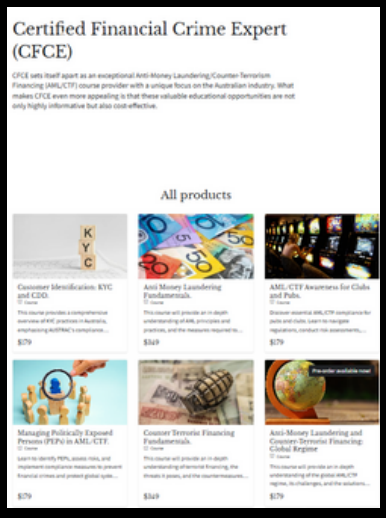
Episode 1 - Perspectives on AML/CTF and Risks with global experts

In celebration of the release of our new book 'Financial Crime and the Law: Identifying and Mitigating Risks', the FIH hosted a webinar where our audience had the privilege of hearing thought-provoking insights from renowned global experts, Dr Rachel Southworth, Prof Michael Levi, Prof Louis De Koker, and Charles Littrell.

Episode 2- Risk Management in Casinos with Armina Antoniou (CRO, Crown & FIH Advisory Board)

Listeners can hear about Armina's approach to risk management, her view on what makes a strong risk culture, and more!

Armina has approximately 20 years of experience as a risk and legal professional across Australian and global companies. She currently serves as Chief Risk Officer at Crown Resorts, and on the Advisory Board at the Financial Integrity Hub.



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RECENT FIH EVENTS

FINANCIAL INTEGIRTY HUB'S END OF YEAR EVENT, 'THE FUTURE OF FINANCIAL CRIME PREVENTION IN AUSTRALIA'

On 9 December, in collaboration with KMPG, the Financial Integrity Hub hosted an end-of-year event for an in-depth exploration of modernising the Australian Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) regime.

Our guests heard from a panel of three experts, including **Jamie Ferril** (Charles Sturt University and FIH Research Fellow), **Paul Jevtovic** (National Australia Bank and FIH Advisory Board), and **Katie Miller** (AUSTRAC), who shared their perspectives on the future of financial crime prevention in Australia.

The awards for **Financial Crime Fighter 2024** were presented to:

- **BioCatch** (Richard Booth) for Excellence in Innovation
- **Kate Ferry** (Australian Federal Police) for Excellence in Leadership

SEMINAR: AML/CTF FOR DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS IN AUSTRALIA

In September, the FIH held a seminar on Anti-Money Laundering and Counter-Terrorism Financing for Designated Non-Financial Businesses and Professions in Australia.

The seminar comprised two sessions:

- The global framework.
- The proposed AML/CTF reform in Australia and what this means for DNFBPs, including key obligations under the proposed framework.

Guests heard from **Derwent Coshott** (Sydney University and FIH Research Fellow), **Evan Gallagher** (AUSTRAC) and **Isabelle Nicolas** (Financial Integrity Hub) on how to prepare for reform to the AML/CTF Act - including background on AML/CTF Programs and other requirements for compliance.

UPCOMING FIH EVENTS

Combating money laundering and terrorism financing: the role of confiscation

Join us for an insightful seminar designed to provide a comprehensive background on confiscation, including its justification, civil/criminal distinctions, challenges, opportunities and more.

Whether you're a legal professional or simply interested in this critical area of law, this seminar offers a valuable opportunity to deepen your knowledge and refine your skills.

Don't miss out on this chance to enhance your knowledge and skills in this important area.

Learn more here: FIH Events

Date: 14 March 2025
Time: 8:30 to 10:30 AM
Location: Macquarie University City Campus, 123 Pitt Street, Sydney NSW 2000

Speakers:

Dr Daley Birkett
FIH Research Fellow and Senior Lecturer at Macquarie Law School; and

UPCOMING FIH EVENTS

2025 Integrity Insight: Financial Crime Summit

Come join us for the second year of Integrity Insights: Financial Crime Summit.

This Financial Crime Summit aims to gather stakeholders from regulatory bodies, financial institutions, law enforcement agencies, professional services, and academia to plan and address challenges ahead of the FATF Mutual Evaluation process.

Over two days, attendees will be immersed in knowledge on the topics of AML/CTF, fraud, and sanctions. They will uncover the latest trends, understand emerging threats, and discuss effective mitigation strategies.

The seminar is comprised of:

- Keynote presentations
- Interactive sessions
- Panel discussions

Learn more here: FIH Events

Date: 3-4 April 2025

WORK WITH US

The Financial Integrity Hub (FIH) relies on a network of experts across business, government and higher education. It promotes an interdisciplinary understanding of financial crime by bringing together perspectives from the fields of law, policy, security, intelligence, business, technology and psychology.

The FIH offers a range of services and collaborative opportunities. These include professional education, hosting events to promote up-to-date knowledge, publishing key insights and updates, and working with partners on their business challenges.

If your organisation would benefit from being part of a cross-sector network and having a greater understanding of the complex issues surrounding financial crime, please contact us to discuss opportunities for collaboration: fih@mq.edu.au.

If you would like to contribute your op-ed for our future FIH Insights, please contact us.

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