

The anti-money laundering and counter-terrorism financing (AML/CTF) laws can feel complex and overwhelming, especially for businesses that have recently become regulated. Many businesses are working hard to maintain their AML/CTF programs and meet their ongoing obligations. Balancing these responsibilities with day-to-day business operations can be challenging.

Some businesses may be looking for additional support to understand and meet their AML/CTF obligations. They may have already engaged or are considering engaging with a RegTech provider to help them meet their AML/CTF obligations.

AML/CTF obligations are your members' responsibilities

While RegTech providers and their solutions can play a role in helping your members manage their ML/TF risks, it's their responsibility to comply with their business' AML/CTF obligations. Outsourcing their obligations does not transfer accountability.

If their business breaches its AML/CTF obligations, they are liable for that breach, including any penalties that may arise, even where their AML/CTF functions have been outsourced.

We expect businesses that choose to outsource their obligations to appropriately manage the associated risks and maintain effective oversight of their service providers.

AML/CTF obligations require ongoing management

Meeting AML/CTF obligations is **not** a one-off exercise. Your members must regularly review and maintain their AML/CTF arrangements, including:

- understanding and assessing their money laundering and terrorism financing (ML/TF) risks
- conducting appropriate customer due diligence
- monitoring customer activity and identifying suspicious matters
- reporting to AUSTRAC when required
- regularly reviewing their AML/CTF controls and systems.

Understanding the role of RegTech providers

While AUSTRAC supports the use of technology to meet AML/CTF obligations, it does not endorse or recommend any specific RegTech providers or solutions. While technology solutions can assist your members, they are not a substitute for understanding and meeting their AML/CTF obligations. A RegTech provider cannot determine a reporting entity's ML/TF risks on their behalf. Understanding those risks and implementing appropriate controls remain your member's responsibility.

Choosing a RegTech provider? Your members need to do their due diligence

If your members decide to engage with a RegTech provider, it's important to select a provider that is appropriately qualified and experienced to deliver solutions that are suitable for their business.

Be cautious of providers that claim their solutions are endorsed or approved by AUSTRAC, or that guarantee their solutions will meet all your AML/CTF obligations. To help your members make an informed decision, encourage them to read:

- Sample checklist for engaging an outsourced service provider
- Using outsourcing to help meet your obligations

Practical support is available

If your member is a small business in one of the newly regulated sectors, we have sector-specific program starter kits (PSKs) available. These free and practical resources can help them customise, implement and maintain their AML/CTF program.

Encourage your members to visit our education and resources page for practical guidance, tools and education resources to support them at every stage of their journey.

Subscribe to AUSTRAC's quarterly newsletter InBrief to keep up to date with any legislative or regulatory developments.

If they need further support or have any general enquiries, they can visit our contact us page.



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