

AML/CTF – Item 54 only changes

Licensee current obligations	Licensee new obligations
<p>AUSTRAC enrolment Part A – item 54 exempt</p> <ul style="list-style-type: none"> * Compliance reporting * Governance controls * Enhanced CDD – high risk * Ongoing CDD <p>‘Special program’ – item 54 – Part B only</p> <ul style="list-style-type: none"> ✓ ‘Applicable customer identification procedures’ (ACIP), incl PEP/sanctions ✓ SMR 	<p>AUSTRAC enrolment updates No Part A / Part B / Special Prog – one program</p> <ul style="list-style-type: none"> ✓ Appoint Senior Manager ✓ Risk assessment ✓ AML/CTF policies <ul style="list-style-type: none"> ➢ CDD – initial; simplified and enhanced, PEP/sanctions ➢ Customer risk assessment ➢ CDD pre-commencement customer ➢ SMRs ➢ Record keeping ✓ Reliance agreement governance and oversight

Item 54 exemptions

- * governing body & associated requirements
- * compliance officer & associated requirements
- * compliance report to AUSTRAC
- * independent evaluation
- * ongoing CDD policies

What this means for advisers / advice practices

- ✓ CDD changes
 - Record details and type of document
 - Politically Exposed Person (PEP) / Sanctions check
 - Nature of the services / client’s reasons for services
 - Customer risk assessment/rating
 - Simplified CDD – low risk
 - Enhanced CDD – see your licensee’s AML/CTF program
- ✓ Suspicious matter reports (including declined clients)
- ✓ Speak with your licensee – know their AML/CTF Program
- ✓ Minimise duplication – consider your existing financial advice processes
- ✓ Suggest – staff AML/CTF awareness training