

Employment Law E-alert

New employer obligations for organisations subject to the *Anti-Money Laundering and Counter Terrorism Financing Act 2006*

With effect from 12 December 2007 employers who are subject to the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* ("the Act") are required to take specific measures to comply with the Act including the implementation of an Employee Due Diligence Program and a Risk Awareness Training Program.

What does the Act seek to achieve?

The object of this Act is to prevent money laundering and the financing of terrorism. It proposes to achieve this by (among other things) requiring organisations that are subject to the Act to verify a customer's identity before rendering certain services, reporting certain transactions which are considered to be suspicious and providing information to the body that is responsible for supervising and regulating compliance with the Act namely the Australian Transaction Reports and Analysis Centre ("AusTRAC").

Who will be subject to the AML/CTF Act?

The Act will be implemented in two phases each of which will apply to specific types of organisations.

The first phase commences from 12 December 2007 and will apply to organisations that provide various "designated services" in the **financial sector** (such as banks; money lenders; superannuation funds; life insurance companies; stockbrokers; fund managers and financial planners), in the **gambling sector** (including clubs and associations), and to **bullion dealers**.

The second phase is still in the consultation stage and will apply to **accountants, lawyers, real estate agents, jewellers and dealers in precious metals and stones**.

What are "designated services"?

These designated services are extensive and are comprehensively set out in section 6 of the Act. They include opening bank accounts; accepting deposits; making a loan; accepting a premium in relation to a life policy; making a payment to a person under a life policy and various gambling services.

What is required of employers in relation to their employees?

As from 12 December 2007 relevant employers must have:

- an Employee Due Diligence Program which takes into account matters such as screening, monitoring and managing of existing or prospective employees who are engaged in or will be engaged in positions involving an element of risk under the Act (e.g. involving the control of money or the recording of transactions);
- a Risk Awareness Training Program which should address issues such as the employer's reporting obligations under the Act, the risks that it faces and the consequences of non-compliance with the Act.

For further details please contact:

David Thompson, Partner T 03 8602 9252

John Sinisgalli, Partner T 03 8602 9229

Costa Brehas, Senior Associate T 03 8602 9252

Disclaimer: The information contained in this e-alert is not advice and should not be relied upon as legal advice. Hunt & Hunt recommends that if you have a matter that is legal, or has legal implications, you consult with your legal adviser. If you no longer wish to receive this e-alert or any other publication from Hunt & Hunt, please email us at unsubscribe@hunthunt.com.au.