

AUSTRAC cost recovery discussion paper released

12 November 2010

AUSTRAC has today released a discussion paper on the proposed cost recovery model for the agency's regulatory activities.

As announced in the Budget, commencing in 2011-12, AUSTRAC will recover the costs of its regulatory activities from businesses that AUSTRAC regulates under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act).

Since that announcement, AUSTRAC has undertaken further work on the cost recovery model, taking into consideration industry feedback.

The proposed model is consistent with the cost recovery guidelines of successive governments. Entities that have created the need for regulation should bear the cost of that regulation.

Reporting entities provide services that are vulnerable to exploitation for money laundering and terrorism financing purposes, creating the need for regulation by AUSTRAC. It is appropriate that industry meet the costs of the regulatory system that ensures the integrity of their operating environment.

AUSTRAC will recover the cost of its regulatory activities.

The discussion paper proposes an annual levy comprising three components - a base component payable by all reporting entities, a component for large entities and a component for transaction reporting activities.

Interested parties are invited to submit written comments on the paper, available on the AUSTRAC website's [Industry consultation page](#). Details of how to make a submission are set out in the paper.

The consultation period is open for four weeks, closing on Friday 10 December 2010.

AUSTRAC will subsequently publish an exposure draft Cost Recovery Impact Statement, which will be open to further comments.

About AUSTRAC:

AUSTRAC (Australian Transaction Reports and Analysis Centre) is Australia's anti-money laundering and counter-terrorism financing regulator and specialist financial intelligence unit. AUSTRAC works with law enforcement and other agencies to protect the integrity of the Australian financial system and fight serious crimes such as drug trafficking, tax evasion, fraud and people smuggling.

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