

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Justice

Combating the Financing of People Smuggling and Other Measures Act 2011

Proclamation

Subsection 2(1) of the *Combating the Financing of People Smuggling and Other Measures Act 2011* (the Act) provides that items 1 to 11 of Schedule 1 to the Act will commence on Proclamation, or if any of the provision(s) do not commence within the period of 6 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period. The Act received the Royal Assent on 28 June 2011.

The purpose of the Proclamation is to commence items 1 to 11 of Schedule 2 of the Act on 1 November 2011.

The Act amends the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (AML/CTF Act), the *Privacy Act 1988* (Privacy Act) and the *Financial Transaction Reports Act 1988* (FTR Act). Schedule 1 to the Act amends the AML/CTF Act to introduce enhanced anti-money laundering and counter terrorism financing (AML/CTF) regulation of the alternative remittance sector and new registration requirements for the sector.

Items 12 and 13, items 49 to 52 and item 58 of Schedule 1 to the Act commenced on Royal Assent and introduced the first phase of remittance reforms by extending AML/CTF regulation to remittance network providers and providing for staggered implementation of these new obligations.

Schedules 2 and 3 to the Act amends the AML/CTF Act and Privacy Act to expand the list of agencies with which the Australian Transaction Reports and Analysis Centre (AUSTRAC) can share financial intelligence and to enable reporting entities to use credit reporting data to comply with AML/CTF customer identification requirements. Schedules 2 and 3 commenced on Royal Assent.

Schedule 4 to the Act amends the FTR Act to enable the AUSTRAC CEO to exempt a person from one or more provisions of the FTR Act. Schedule 4 also commenced on Royal Assent.

Items 1 to 11 of Schedule 1 to the Act will amend the AML/CTF Act to introduce definitions relevant to the enhanced AML/CTF registration of the alternative remittance sector. Commencement of these items also acts as the trigger for the commencement of items 14 to 48 and items 53 to 57 of Schedule 1, which provide for the new registration scheme for alternative remitters and for a transition period for implementation of the new registration requirements.

The Proclamation is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Authority: Subsection 2(1) of the
Combating the Financing of People Smuggling and Other Measures Act 2011