



# **Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008**

**Select Legislative Instrument 2008 No. 2 as amended**

made under the

*Anti-Money Laundering and Counter-Terrorism  
Financing Act 2006*

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taking into account amendments up to SLI 2011 No. 228

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## Contents

<b>Part 1</b>	<b>Preliminary</b>	
1	Name of Regulations [see Note 1]	3
2	Commencement [see Note 1]	3
3	Definition	3
<b>Part 2</b>	<b>Designated services</b>	
4	Amendment of Table 1 in section 6 of Act	4
<b>Part 3</b>	<b>Transactions relating to Iran</b>	
5	Definitions for Part 3	5
6	Declaration of prescribed foreign country	5
7	Prohibition	5
8	Transaction exemption	6
9	Personal exemption	7
<b>Schedule 1</b>	<b>Amendment of section 6 of Act</b>	9
<b>Notes</b>		10

## **Part 1 Preliminary**

### **1 Name of Regulations** [see Note 1]

These Regulations are the *Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008*.

### **2 Commencement** [see Note 1]

These Regulations commence on the day after they are registered.

### **3 Definition**

In these Regulations:

**Act** means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

*Note* Several other words and expressions used in these Regulations have the meaning given by section 5 of the Act. For example:

- AML/CTF Rules
- anti-money laundering and counter-terrorism financing program
- designated service
- person
- reporting entity
- resident
- transaction.

**Regulation 4**

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**Part 2                      Designated services****4                      Amendment of Table 1 in section 6 of Act**

Table 1 in section 6 of the Act is amended as set out in Schedule 1.

## Part 3 Transactions relating to Iran

*Note 1* Section 103 of the Act provides that section 50 of the *Legislative Instruments Act 2003* has effect in relation to regulations made for subsection 102 (1) of the Act as if each reference in that section to tenth anniversary were read as a reference to second anniversary.

*Note 2* Section 50 of the *Legislative Instruments Act 2003* provides for the sunseting of regulations calculated by reference to the tenth anniversary of the day they are required to be lodged for registration in accordance with section 29 of that Act.

### 5 Definitions for Part 3

In this Part:

**Department** means the Department that deals with external affairs.

**Secretary** means the Secretary of the Department.

### 6 Declaration of prescribed foreign country

Iran is declared to be a prescribed foreign country for the Act.

### 7 Prohibition

- (1) A transaction is prohibited if:
- (a) it is a transaction that involves the provision of one or more designated services by a reporting entity; and
  - (b) the reporting entity is aware, or ought reasonably to be aware, at the time of the transaction, that a party to the transaction is:
    - (i) an individual who is physically present in Iran; or
    - (ii) a corporation incorporated in Iran; and
  - (c) the transaction involves the provision of one or more of the services mentioned in items 17, 29, 30, 31, 32 or 34 of table 1 in section 6 of the Act; and
  - (d) the value of the money or property involved in the transaction is not less than \$20 000; and

**Regulation 8**

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- (e) none of the parties to the transaction is:
    - (i) the Commonwealth, a State or Territory; or
    - (ii) a person exempted under regulation 9; and
  - (f) the transaction does not relate to:
    - (i) the Iranian Embassy in Canberra; or
    - (ii) a member of the diplomatic staff of the Embassy who is entitled to any privileges or immunities under the *Diplomatic Privileges and Immunities Act 1967*; or
    - (iii) the head or member of staff of a consular post in Australia or an external territory operated by Iran who is entitled to any privileges or immunities under the *Consular Privileges and Immunities Act 1972*; and
  - (g) it is not exempt under regulation 8.
- (2) A reporting entity must not provide a designated service in relation to a prohibited transaction.

Penalty: 50 penalty units.

**8 Transaction exemption**

- (1) A person may apply for a transaction to be exempt from regulation 7.
- (2) The application must be made to the Department in a form approved by the Secretary.
- (3) The Secretary may exempt a transaction from regulation 7 if the Secretary considers it appropriate to do so having regard to:
  - (a) the objects of the Act; and
  - (b) whether the transaction is necessary for the provision of a basic expense, including the following:
    - (i) foodstuffs;
    - (ii) rent or mortgage;
    - (iii) medicines or medical treatment;

**Regulation 9**

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- (iv) taxes;
    - (v) insurance premiums;
    - (vi) public utility charges;
    - (vii) reasonable professional fees;
    - (viii) reimbursement of expenses associated with the provision of legal services; and
  - (c) whether the transaction is legally required because it is necessary to satisfy a judicial, administrative or arbitral lien or judgment that was made before 1 March 2012; and
  - (d) whether the transaction is contractually required under a contract, agreement or obligation made before 1 March 2012; and
  - (e) whether the transaction is a significant trade transaction that, if not completed, would have an adverse effect on Australian's trade relationship with Iran or the viability of an Australian business; and
  - (f) whether the transaction is a humanitarian transaction related to the provision of aid or humanitarian services.
- (4) The Secretary is taken to have exempted the transaction if:
- (a) the Secretary does not give the person written notice of a decision under subregulation (3) within 28 days after the application is made and paragraph (b) does not apply; or
  - (b) both:
    - (i) within 28 days after the application is made, the Secretary gives the person written notice that the application is still being considered; and
    - (ii) the Secretary does not give the person written notice of a decision under subregulation (3) within 56 days after the application is made.

**9 Personal exemption**

- (1) A person may apply for exemption from regulation 7.
- (2) The application must be made to the Department in the form approved by the Secretary.

**Regulation 9**

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- (3) The Secretary may exempt a person from regulation 7 if the Secretary considers it appropriate to do so having regard to the objects of the Act.

*Note 1* Section 5 of the Act defines **person** to mean:

- (a) an individual;
- (b) a company;
- (c) a trust;
- (d) a partnership;
- (e) a corporation sole;
- (f) a body politic.

*Note 2* Sections 237, 238 and 239 of the Act provide for the application of the Act to partnerships, unincorporated associations and trusts (with 2 or more trustees) as if they were persons, but subject to the changes set out in those sections.

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## Schedule 1      Amendment of section 6 of Act

(regulation 4)

### [1]      Table 1, item 35, paragraph (b)

*substitute*

(b) in the case of an issue of a security or derivative—the issue does not consist of the issue by a company of either of the following:

- (i) a security of the company (other than an interest in a managed investment scheme); or
- (ii) an option to acquire a security of the company (other than an option to acquire an interest in a managed investment scheme); and

**Table of Instruments**

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**Notes to the *Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008***

**Note 1**

The *Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008* (in force under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*) as shown in this compilation comprise Select Legislative Instrument 2008 No. 2 amended as indicated in the Tables below.

**Table of Instruments**

<b>Year and Number</b>	<b>Date of FRLI registration</b>	<b>Date of commencement</b>	<b>Application, saving or transitional provisions</b>
2008 No. 2	30 Jan 2008 (see F2008L00137)	31 Jan 2008	
2011 No. 228	14 Dec 2011 (see F2011L02666)	1 Mar 2012	—

**Table of Amendments**

**Table of Amendments**

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted

Provision affected	How affected
<b>Part 1</b>	
Heading to Part 1 .....	ad. 2011 No. 228
Note to r. 3 .....	ad. 2011 No. 228
<b>Part 2</b>	
Heading to Part 2 .....	ad. 2011 No. 228
<b>Part 3</b>	
Part 3 .....	ad. 2011 No. 228
R. 5 .....	ad. 2011 No. 228
R. 6 .....	ad. 2011 No. 228
R. 7 .....	ad. 2011 No. 228
R. 8 .....	ad. 2011 No. 228
R. 9 .....	ad. 2011 No. 228