



# Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment Instrument 2014 (No. 2)

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

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I, John Lance Schmidt, Chief Executive Officer, Australian Transaction Reports and Analysis Centre, make this Instrument under section 229 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

Dated **25 January 2014**

[Signed]

John Lance Schmidt  
Chief Executive Officer  
Australian Transaction Reports and Analysis Centre

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**1 Name of Instrument**

This Instrument is the *Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment Instrument 2014 (No. 2)*.

**2 Commencement**

This Instrument commences on the day after it is registered.

**3 Amendment**

Schedule 1 amends the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)*.

**Schedule 1                      Amendment of the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)*.**

**1. Chapter 21**

**Item 1                      After subparagraph 21.3(3)(b) insert**

- (4) an issue (but not sale, transfer or redemption) of an interest in a registered managed investment scheme (except for an interest which forms part of a stapled security) covered by item 35 of table 1 in subsection 6(2) of the AML/CTF Act (item 35 designated service) by a reporting entity (first reporting entity) in the following circumstances:
  - (a) the processing and settlement of the issue of the interest in the registered managed investment scheme occurs through a MIS service operated:
    - (i) only by:
      - (A) a prescribed financial market; or
      - (B) the operator of a financial market in respect of which an Australian market licence exemption has been made; or
    - (ii) only by both of the persons specified in subparagraphs 21.3(4)(a)(i)(A) and (B);
  - (b) the interest in the registered managed investment scheme is not quoted on a financial market; and

- (c) the customer of the item 35 designated service has also been provided or will be provided with a designated service covered by item 33 of table 1 in subsection 6(2) of the AML/CTF Act by another reporting entity (second reporting entity); and
- (d) the second reporting entity:
  - (i) is a participant;
  - (ii) has carried out the applicable customer identification procedure in respect to the customer; and
  - (iii) has confirmed, through the MIS service, to the first reporting entity, that the applicable customer identification procedure has been carried out for that customer by the second reporting entity; and
- (e) prior to the first reporting entity issuing the interest in the registered managed investment scheme to the customer, the first reporting entity has received, through the MIS service, confirmation from the second reporting entity that the applicable customer identification procedure has been carried out in respect to the customer.

**Item 2**        *Repeal paragraph 21.4*

**Item 3**        *After subparagraph 21.3(4)(e) insert*

21.4        In this Chapter:

- (1) ‘Australian market licence exemption’ means an exemption from the financial market licensing provisions in Part 7.2 of the *Corporations Act 2001* granted pursuant to section 791C of that Act;
- (2) ‘dividend or distribution plan’ has the meaning given by Chapter 19 of the ASX Listing Rules issued, as in force on 22 April 2008, by ASX Limited trading as the Australian Securities Exchange;
- (3) ‘initial public offering’ in the context of an interest in a managed investment scheme is an offering of that interest by a reporting entity, for the first time, to an applicant who subscribes for that interest, before the interest is quoted on a prescribed financial market;
- (4) ‘interest’ in a managed investment scheme includes a stapled security whereby one or more financial products are transferred together;
- (5) ‘managed investment scheme’ has the meaning given in section 9 of the *Corporations Act 2001*;
- (6) ‘MIS service’ means an electronic facility which:

- (a) is solely used to receive, process and settle issues, sales, transfers and redemptions of interests in managed investment schemes (and associated receipts and payments); and
  - (b) for an issue of a new interest in a managed investment scheme – requires the applicable customer identification procedure in relation to a customer to be carried out by the second reporting entity; and
  - (c) requires the second reporting entity to, through the MIS service, advise the first reporting entity when the applicable customer identification procedure has been carried out in relation to the customer to whom the interest is to be issued prior to the issue of that interest;
- (7) ‘participant’ has the meaning given by section 761A of the *Corporations Act 2001*;
  - (8) ‘prescribed financial market’ has the meaning given by section 9 of the *Corporations Act 2001* and includes the Australian Securities Exchange Limited (ACN 000 943 377);
  - (9) ‘registered managed investment scheme’ means a managed investment scheme that is registered under section 601EB of the *Corporations Act 2001*;
  - (10) ‘proprietary system’ means a system or systems for the electronic trading, clearing and settlement of transactions relating to securities or derivatives;
  - (11) ‘rights issue’ has the meaning given by section 9A of the *Corporations Act 2001*.