

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

Bank of Queensland

BOQ21QW: Anti-money laundering

(a) Can you please provide a copy of your anti-money laundering, or like, policy?

Answer: BOQ's approach to anti-money laundering is covered in multiple policy documents. These policies contain sensitive information and we are therefore unable to provide copies of them to the Committee for publication.

However, BOQ emphasises it takes its obligations very seriously and has zero tolerance for non-compliance or facilitating crime.

(b) How many cases have you reported to AUSTRAC over the past decade?

Answer: BOQ has reported 6,986 suspicious matter reports (SMRs) to AUSTRAC between 2010 and 2019.

(c) Of those cases, how many relate to:

- (i) money laundering?
- (ii) terrorist financing?
- (iii) organised crime?
- (iv) human trafficking?
- (v) child exploitation?
- (vi) crimes of a sexual nature?
- (vii) other serious crimes not captured by (i) – (vi)?

Answer: BOQ does not record reports against all the above categories, however, we do separate money laundering and terrorism financing related reports. Since 2010, 27 of the 6,986 SMRs related to terrorism financing.

When categorising the nature of a report to AUSTRAC, BOQ assesses what financial crime risk it suspects may be relevant, but the ultimate determination is made by law enforcement or other Government agencies.

(d) Can you please provide an update on your initiatives, including details of programs, staff numbers and financial resources toward initiatives to combat:

- (i) money laundering?
- (ii) terrorist financing?
- (iii) organised crime?
- (iv) human trafficking?
- (v) child exploitation?
- (vi) crimes of a sexual nature?
- (vii) other serious crimes not captured by (i) – (vi)?

Answer: BOQ does not assign staff or resources to specific AML/CTF risks. Instead, our financial crime functions are organised on a thematic fraud and money laundering/terrorism financing basis.

As per our response to BOQ18QON, BOQ currently employs 87 people across the AML/CTF and fraud functions. Of these, 53 people work directly on AML/CTF, 6 on AML compliance and 28 on fraud.

(e) How frequently have you reported to AUSTRAC on a scheduled basis over the past decade?

Answer: BOQ has provided scheduled quarterly progress updates to AUSTRAC since mid-2018. BOQ had four scheduled meetings with AUSTRAC in 2019, with the next meeting scheduled for February.

In accordance with the requirements arising under the AML/CTF Act 2006, BOQ submits an annual Compliance Report to AUSTRAC. In addition, BOQ actively participates in AUSTRAC initiatives such as industry-wide questionnaires, Community of Practice activities, Know Your Industry Days and Smarter Regulation workshops.

(f) Please outline the occasions you have reported to AUSTRAC on an ad hoc basis over the past decade?

Answer: BOQ does not keep comprehensive records of all ad hoc reporting provided to AUSTRAC over the past decade. BOQ provides ad hoc reporting to AUSTRAC on an 'as needs' basis in a number of areas, including in relation to:

- Threshold transaction reporting;
- Transaction monitoring;
- Suspicious Matter Reporting; and
- IFTIs.

(g) Over the past decade, how many AUSTRAC investigations into the bank have been:
(i) opened
(ii) completed with penalties
(iii) completed without penalties
(iv) abandoned

Answer: Over the past decade:

- Two have been opened;
- None have been completed with penalties;
- One has been completed without penalties; and
- None have been abandoned.

(h) How many fines have been paid to AUSTRAC over the past decade, and what were their values?

Answer: None.

(i) Have any AUSTRAC notifications or investigations resulted in terminations of employment or other penalties for employees?

Answer: No.

(j) Have any AUSTRAC notifications or investigations resulted in terminations of employment or other penalties for executives?

Answer: No.

(k) What staff training is provided to assist anti-money laundering and other serious crime detection?

Answer: All staff complete an annual training module addressing AML/CTF definitions and obligations. In addition, a second online module with more detailed AML/CTF scenarios is targeted at staff supporting or working in front line functions. These online modules are complemented by targeted face-to-face training that goes through detailed typologies of financial crime.

BOQ also delivers fraud awareness training on a periodic basis to specific teams who handle customer and lending matters.