

SELECT COMMITTEE ON THE PERTH MINT AND COMMONWEALTH REGULATORY COMPLIANCE

Response by The Perth Mint to Questions on Notice received on 19 January 2024 from Senator the Hon Linda Reynolds CSC

The questions are prefaced by the statement: “*The AUSTRAC review focussed on a narrow window and identified that the Perth Mint was not registered as a Remittance Dealer for a period of 9 months that was examined during the review. In this 9-month period over 5000 breaches of the AML / CTF act and rules were identified. Each breach carries a potential penalty of \$21 million AUD with the quantum for the review period being potentially \$105 billion AUD.*”

Gold Corporation, trading as The Perth Mint (**The Perth Mint**), respectfully notes that the independent external audit conducted for AUSTRAC found 3,322 instances where The Perth Mint failed to report International Funds Transfer Instructions. This is publicly stated in the Enforceable Undertaking between AUSTRAC and The Perth Mint that was published on 23 November 2023 (refer paragraph 11(d)).

The Perth Mint also notes AUSTRAC’s media statement on 23 November 2023 that:

“Following careful consideration of the audit findings, including the nature and seriousness of the non-compliance and Gold Corporation’s willingness to cooperate and proactively work to comply with its AML/CTF obligations, AUSTRAC has determined that an EU [Enforceable Undertaking] is the most appropriate regulatory response.”

Question 1

Was the Perth Mint registered as a Remittance Dealer or equivalent at any time prior to the period which was reviewed by AUSTRAC?

If the answer is ‘yes’, answer the below questions from 2 to 7.

If the answer is ‘no’, what factors or considerations let The Perth Mint to decide against registering as a Remittance Dealer with AUSTRAC or recognising the need for such registration?

Response

The Perth Mint registered with AUSTRAC as a remittance service provider (**RSP**) on 5 March 2021.

It is not feasible for The Perth Mint's current leadership team to comment or speculate on the factors or considerations that may have informed previous decisions by former executives and managers at The Perth Mint.

When The Perth Mint identified that it was undertaking a registrable designated activity without being registered as an RSP as required under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML-CTF Act)* and *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (Cth) (AML-CTF Rules)*, The Perth Mint promptly registered as an RSP and wrote to AUSTRAC to voluntarily disclose its previous non-compliance with registration requirements.

Question 2

If so, then when was the last date that The Perth Mint was registered as a Remittance Dealer?

Response

Not applicable.

Question 3

How long had The Perth Mint been registered with AUSTRAC as a Remittance Dealer?

Response

Not applicable.

Question 4

How many reports did The Perth Mint submit to AUSTRAC during its period of Remittance Dealer registration?

Response

Not applicable.

Question 5

*Did those submitted reports include those subject to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* and rules?*

Response

Not applicable.

Question 6

Did those reports submitted by The Perth Mint to AUSTRAC include those subject to the Financial Transaction Reports Act 1988 (Cth)?

Response

Not applicable.

Question 7

Please clarify exactly when the period of Remittance Dealer deregistration commenced, on what date?

Response

Not applicable.

Question 8

Did The Perth Mint have a member of staff designated as the contact point for law enforcement and AUSTRAC matters during the period of its registration as a Remittance Dealer with AUSTRAC?

Response

In accordance with the AML-CTF Act and Rules, Part A of Gold Corporation's AML-CTF Program provides for the appointment of an AML/CTF Compliance Officer, who reports to the Chief Executive Officer of The Perth Mint on AML/CTF legislation matters.

A senior employee of The Perth Mint has fulfilled the role of AML/CTF Compliance Officer or their delegate since The Perth Mint registered with AUSTRAC as an RSP.

Question 9

Did The Perth Mint receive face to face training for the executive and compliance staff delivered by the AUSTRAC Liaison Manager for Western Region?

Response

The AML-CTF Act and Rules require reporting entities to provide money laundering and counter-terrorism financing (ML/TF) risk awareness training to employees who work in roles that may pose money laundering or terrorism financing risks.

In accordance with the AML-CTF Act and Rules, Part A of The Perth Mint's AML-CTF Program includes processes, systems and controls for The Perth Mint to provide ML/TF risk awareness training to employees at appropriate intervals and corresponding to the ML/TF risks that The Perth Mint has identified.

AUSTRAC publishes guidance, e-learning modules and other resources from time to time to support reporting entities in understanding and complying with their obligations under the AML-CTF Act and Rules, but does not deliver direct training in this regard. The responsibility of maintaining and delivering training programs to address potential ML/TF risks rests with reporting entities, such as The Perth Mint.

Question 10

Did the Perth Mint executive and compliance staff also receive training from law enforcement during the period of its registration as a Remittance Dealer with AUSTRAC?

Response

The Perth Mint maintains strong and collaborative relationships with state and federal law enforcement agencies to support their efforts to disrupt and prosecute financial crime and other criminal activity.

Law enforcement agencies are not responsible for providing formal training to reporting entities, such as The Perth Mint.

The Perth Mint provides appropriate ML/TF training to employees and management, in accordance with its obligations under the AML-CTF Act and Rules.