

Kathleen McGarry
Committee Secretary
House of Representatives Standing Committee on Economics
Parliament House
Canberra ACT 2600

13 March 2026

Via email: economics.reps@aph.gov.au

Dear Committee Secretary,

House of Representatives Standing Committee on Economics: Inquiry into Schemes, Digital Wallets and Innovation in the Payments Sector

AusPayNet appreciated the opportunity to appear before the House of Representatives Standing Committee on Economics on 25 February 2026. We are pleased to provide responses below to questions on notice during, and questions in writing following, the hearing.

Questions in Writing from Mr Jerome Laxale, MP

1. *On FATF Recommendation 16 that uplifts the rules for the inclusion of mandatory information to be included in cross border and domestic payments, and the AUSTRAC adoption of those FATF rules for Australia.*

a) *Should AUSTRAC remove the exemption/waiver for the BECS system?*

As a point of clarification, transactions processed through BECS are not exempt from AML/CTF obligations. Those obligations exist under the AML/CTF Act and are met by the financial institution initiating the payment irrespective of the payment system used.

In terms of the content of the information transferred using the payment system, the FATF rules (Interpretative Note to Recommendation 16, paragraph 11) recognise that “information [other than tracing information] can be made available to the beneficiary financial institution and appropriate authorities by other means [than the payment].” BECS is already compliant with these rules, which are applied in Australia through the current AML/CTF Act and its Rules that describe the exemption for BECS.

The amended AML/CTF Act version Part 5 and accompanying Part 8 of the AML/CTF Rules (effective at the end of March 2026) – which reflects the new FATF Recommendation 16 (and its requirements for batch transactions) – will not have an exemption for BECS. Instead they specify the information that is to be collected, verified and passed on in each circumstance (including by specific reference to when BECS is used). BECS (as is) is able to comply with these requirements.

b) *Does AusPayNet intend to upgrade the BECS system to ensure BECS can support these AUSTRAC rules for cross border and domestic payments?*

See response to question 1.

c) *If the AUSTRAC exemption/waiver for BECS is not removed – what are the current activities and plans of AusPayNet to ensure that AUSTRAC Reporting Entities use alternative payment rails that are fit for purpose for these cross border and domestic payments?*

See response to question 1.

d) *Has AusPayNet made AUSTRAC aware of their recent removal of the target date for the retirement of BECS and discussed the exemption/waiver for the BECS system with AUSTRAC? If not, why not?*

See response to question 1.

For your information, the removal of the target end-date is publicly available through our media release: https://auspaynet.com.au/insights/Media-Release/BECS_outlook.

2. *Would a faster industry transition to the NPP make payments more or less competitive for consumers and small businesses?*

AusPayNet's work on the future direction of BECS suggests that businesses in particular do not want their choice restricted between using BECS or NPP. They want to decide between the two based on value and their requirements.

More broadly, it is currently unclear whether a faster industry transition to NPP would make payments more competitive for consumers and small businesses given several factors including: the viability of NPP for all BECS payment use cases; NPP capability, capacity and resilience; and the economics of transitioning to and using NPP.

For further information – particularly relating to end-user perspectives – please see the RBA's [Risk Assessment](#) and [Risk Assessment Update](#).

Question on Notice from Ms Julie-Ann Campbell, MP: *(Proof Transcript, 25 March 2026, p10)*

Ms Campbell: You said earlier in evidence that merchant fees have declined over the past decade. Can you tell us whether that decline has been proportionately the same for big business as for small business?

Mr White: I might take that on notice. There is publicly available from data from the RBA that shows that, so I'm happy to furnish the committee with that information.

Answer

The data referenced in AusPayNet's comment is sourced from the Reserve Bank of Australia <https://www.rba.gov.au/statistics/tables/xls/c03hist.xlsx>.

The data indicates a decline in merchant fees for businesses over the past decade however, it does not differentiate between costs by business size.

Yours sincerely


Andy White
Chief Executive Officer