Question on notice no. 80

Portfolio question number: LCC-BE20-80

2020-21 Budget estimates

Legal and Constitutional Affairs Committee, Home Affairs Portfolio

Senator the Hon. Concetta Fierravanti-Wells: asked the Australian Transaction Reports and Analysis Centre on 2 November 2020—

Since 2014, what monies have been transferred to Australia from the Vatican or any of its entities, or individuals associated with the Vatican or Vatican entities (Vatican entity or individual) ?

Answer —

Please see the attached answer.

Revised answer received and published on 13 January 2021.

Chief Executive Officer

Australian Government

AUSTRAC

13 January 2021

Ref: 12160109

Committee Secretary
Senate Legal and Constitutional Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Secretary

Correction to written question on notice: 'Vatican—Money Transfers to Australia'

I write to you concerning the written question on notice (QON) received by AUSTRAC from Senator the Hon Concetta Fierravanti-Wells: BE20-080—Vatican—Money Transfers to Australia.

AUSTRAC's response to this QON was tabled on 16 December 2020, providing transaction volumes and values of money transferred to and from Australia and the Vatican City State. AUSTRAC's subsequent engagement with the Vatican City State Financial Intelligence Unit and our detailed analysis of the extracted data has identified a discrepancy.

A revised table is provided below for the Committee's reference.

International funds transfer instructions (IFTIs)[1]							
Vatican City State	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Incoming to Australia							
Report count	46	59	51	65	57	52	32
$ value (m)	0.4	1.7	2.1	2.6	1.3	0.8	0.6
Outgoing from Australia							
Report count	24	30	33	33	25	44	48
$ value (m)	2.8	2.0	5.5	4.1	2.2	4.3	5.7
Total							
Report count	70	89	84	98	82	96	80
$ value (m)	3.2	3.7	7.6	6.7	3.5	5.1	6.3

[1] The data is derived from international funds transfer instructions reported to AUSTRAC under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* for instructions sent between financial institutions located in the Vatican City State and Australia. AUSTRAC reporting captures instructions for the transfer of funds rather than the transfer itself. The data also does not include instructions for transfers via third countries, or non-reportable transfers such as those between national central banks.

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The statistics provided in our original response were generated for the specific purpose of responding to the Question on Notice. These statistics were not used for nor were part of any financial intelligence or regulatory analysis.

The discrepancy in the data occurred due to a range of complexities and inconsistencies in some reporting received by AUSTRAC originating from international institutions, relating to incomplete geo-coding data. This led to AUSTRAC's system attributing a large series of transactions to the Vatican City State. AUSTRAC's quality assurance processes should have identified this issue.

AUSTRAC has subsequently undertaken a detailed review of the data and put immediate additional quality assurance processes in place. AUSTRAC has worked with the Vatican City State Financial Intelligence Unit as part of this process. AUSTRAC is also considering what further processes and governance changes should be implemented into the future.

Australia's anti-money laundering and counter-terrorism financing regime requires over 15,000 financial institutions and other reporting entities to report the instructions for the transfer of funds into and out of Australia. However this reporting does not capture all money transferred in and out of Australia, such as transactions between national central banks. Australian financial institutions submitting reports to AUSTRAC are reliant upon the instructions and information received from counterpart financial institutions from across the world and subsequently the quality of reporting data received by AUSTRAC does vary greatly. In 2019-20 the total value related to the 165 million reports made to AUSTRAC was approximately $7.4 trillion, including the transactions involving Australia and over 190 nation states.

I wish to reassure the Committee that this change to these statistics does not affect AUSTRAC financial intelligence or regulatory activities, as such activities necessarily involve detailed review and analysis of all relevant reports.

Yours sincerely

Nicole Rose PSM
Chief Executive Officer

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SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
BUDGET ESTIMATES
19-20 OCTOBER 2020

Home Affairs Portfolio
Australian Transaction Reports and Analysis Centre

BE20-080 - Vatican - Money Transfers to Australia

Senator Fierravanti-Wells asked:

Since 2014, what monies have been transferred to Australia from the Vatican or any of its entities, or individuals associated with the Vatican or Vatican entities (Vatican entity or individual)?

Answer:

International funds transfer instructions (IFTIs)							
Vatican City State	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 YTD**
Incoming to Australia							
Report count	3,323	4,066	5,748	7,187	7,760	11,041	8,750
$ value (m)	71.6	137.1	295.0	581.3	422.7	491.8	294.8
Outgoing from Australia							
Report count	737	598	468	334	254	262	186
$ value (m)	17.7	13.8	13.8	15.7	16.5	32.4	7.5
Total							
Report count	4,060	4,664	6,216	7,521	8,014	11,303	8,936
$ value (m)	89.3	150.9	308.8	597.0	439.2	524.2	302.3

The table above reflects international funds transfer instructions between Australia and the Vatican State City. AUSTRAC does not comment on specific entities.