

17 November 2006

Committee Secretary  
Senate Legal and Constitutional Affairs Committee  
Department of the Senate  
PO BOX 6100  
Parliament House  
Canberra ACT 2600

Email: [LegCon.Sen@aph.gov.au](mailto:LegCon.Sen@aph.gov.au)

Dear Secretary,

**Inquiry into the Provisions of the Provisions of the Anti-Money Laundering and Counter-Terrorism Financing Bill 2006, and the Anti-Money Laundering and Counter-Terrorism Financing (Transitional Provisions and Consequential Amendments) Bill 2006**

Travelex Limited appreciate the opportunity to provide the Senate Legal and Constitutional Affairs Committee with their views on the Anti-Money Laundering and Counter-Terrorism Financing Bill 2006 which was referred to the Senate on 8 November 2006.

Travelex is part of the Travelex World Wide Money Group that operates in over 53 countries and provides a wide range of foreign exchange services to corporate, wholesale and retail clients. Travelex strongly supports the objectives of the Financial Action Task Force (FATF) Recommendations and as a global provider of foreign exchange services, have always applied a standard in respect to AML/CTF which in many jurisdictions exceeds the minimum regulatory requirements.

In our previous submissions, Travelex expressed concerns regarding the absence of a threshold amount for low value occasional customers in respect to travellers' cheques (Item 25 of Table 1) and over-the-counter currency exchange transactions (Item 50 of Table 1), below which customer identification would not be necessary. It was indicated at the AML/CTF Advisory Group meeting in Canberra on 10 August 2006 that this issue would be addressed in the Rules. However, we understand that there will be no further draft Rules released in respect to thresholds before the commencement of the AML/CTF legislation.

Given the required system, policy and training changes that will need to be implemented by reporting entities as a result of a lowering of the identification threshold Travelex strongly believe this issue must be addressed with priority.

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Subject to industry consultation, Travelex recommends a threshold amount of AUD 5000 be applied, below which customer identification would not be necessary. This would represent a realistic and practical threshold which is in line with the FATF Recommendation 5 and is also comparable to the practice in other jurisdictions.

As discussed in our previous submissions, the lack of a threshold amount is significantly at odds with internationally accepted recommendations and best practice and has additional impacts in terms of customer inconvenience; Australia's reputation with inbound tourists; increased queuing at international airports and associated security issues; and unnecessary collection of personal information that is inconsistent with the National Privacy Principles in the Privacy Act 1988.

Travelex recommends that a realistic threshold be applied to the requirement to verify customer identity and record customer identification with regard to occasional transactions of currency exchange and the issuing and encashment of travellers' cheques. We would be pleased to discuss this submission with the Attorney-General's Department and with AUSTRAC.

Yours sincerely



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Company Secretary

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