



COMPLIANCE AUSTRALIA

Anti money-laundering consultants

## Anti-Money Laundering and Counter-Terrorism Financing

### RISK MANAGEMENT

One of the primary responsibilities of reporting entities under the **Anti-Money Laundering and Counter-Terrorism Financing Act 2006** is the undertaking of an assessment of the ML/TF risks faced and the development of a framework to manage those risks.

Which risks do you need to manage?

AUSTRAC generally expects a business's risk management practice to address two main risks: business risk and regulatory risk.

*Business risk* is the risk that your business may be used for ML/TF. Businesses must assess the following risks in particular:

- customer risks
- products or services risks
- business practices and/or delivery method risks
- country or jurisdictional risks.

*Regulatory risk* is associated with not meeting your obligations under the Act.

Austrac accepts that it is necessary to balance the costs to your business and customers against the risk of the business being used for ML/TF. This should be in proportion to the size of your business and the resources you have available. A business will only be expected to counter the ML/TF risk it may reasonably be expected to face while providing designated services.

At Compliance Australia we have developed a systematic approach to assist reporting entities to undertake the initial risk ML/TF risk assessment and to develop a robust framework in accordance with Austrac's advisory paper on risk management. Having already undertaken a number of risk assessments for clients we can facilitate the risk identification, assessment, treatment and monitoring/reporting process in a timely, cost effective manner that integrates into the broader governance and risk management framework.

To find out more about our ML/TF risk services please give our director, Greg Goodman a call on 0411 85 458 or you can email Greg at [goodmang@compliance.com.au](mailto:goodmang@compliance.com.au)

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