



21 June 2024

Attorney General's Department  
Canberra ACT 2600  
Via email: [Economiccrime@ag.gov.au](mailto:Economiccrime@ag.gov.au)

Dear Sir/Madam

**MODERNISING AUSTRALIA'S ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING REGIME**

The Australian Hotels Association welcomes the opportunity to provide further submissions (to be read in conjunction with our previous submissions dated 30 May 2023 and 15 June 2023) into the process of reforming Australia's anti-money laundering and counter-terrorism financing regime.

Our supplementary submissions focus specifically around Paper 5: Broader Reforms to simplify, clarify and modernise the regime (dated May 2024). We also make some high level observations regarding unintended consequences arising from Paper 4 concerning defined terms.

The AHA welcomes and supports improvements to the effectiveness of the regime and also the objective of easing regulatory burden through a risk based approach to simplification, education and modernisation that appropriately reflects changing business structures.

**AML/CTF Programs**

We support the clarification around the implementation of proportionate risk mitigation measures, the maintenance of internal controls along with the roles and responsibilities of senior management and Compliance Officers.

Further industry specific guidance material to facilitate the implementation of these reforms is welcomed, and the AHA and its members would be pleased to participate, including through working

groups, in the preparation of appropriate guidance material tailored for the industry at the appropriate time.

We also support the consolidation of Parts A and B of the AML/CTF Program to simplify the reporting processes.

### **Simplified Business Group Concept**

The hotel sector continues to see an increasing prevalence of multi-hotel operators, which operate reporting entity businesses across multiple sites. These groups are commonly overseen by sophisticated and centralised commercial management operations.

The proposed simplified 'business group' concept, allowing the head of a business group with the central oversight of commercial management operations to manage common risks, information sharing and compliance obligations is well suited to these types of operations and will promote a more efficient, consistent and streamlined approach for these grouped reporting entities.

The AHA would welcome the opportunity to work with the Government on the appropriate definitions to reflect these aforementioned hotel structures at the appropriate time.

### **Customer Due Diligence (CDD)**

The assignment of a risk rating to customers will assist reporting entities in determining the appropriate and proportionate risk profile for the business operations, and is supported.

Once again, the introduction of further industry specific guidance in this area is welcomed and the AHA and its members would be pleased to participate, including through working groups, in the preparation of appropriate guidance material tailored for the industry at the appropriate time.

### **Tipping Off Offence**

The AHA supports the proposal to update the focus of the tipping off offence framework to the ultimate prevention of disclosure of suspicious matter report information where it is likely to prejudice an investigation or potential investigation.

Reporting entities, subject to the above constraints and considerations, should have the practical ability to disclose certain information for a 'legitimate purpose', for example seeking professional legal advice from an industry body or within business groups.

### **Loyalty Programs – Defined Terms**

We would welcome further engagement and consultation in order to develop appropriate guidance on defined terms to include or exclude existing or emerging currencies applicable to loyalty programs. Definitions will require further consultation with industry to be scoped appropriately and avoid unintended consequences.

### **Transition, Guidance and Implementation**

As noted, the provision of sector specific guidance materials appropriately tailored to its audience will be critical to supporting the implementation of these reforms. The AHA, as the pre-eminent industry body supporting hotel reporting entities, stands ready to assist with providing assistance on the preparation of these materials, as well as dissemination of appropriate resources and education materials through the reform process.

Similarly, an appropriate transition period to allow reporting entities to adopt the necessary changes will also assist with the implementation of these reforms.

Yours faithfully,



**STEPHEN FERGUSON**  
**NATIONAL CEO**