



(Formerly CTRA Guideline No. 2)

## *Financial Transaction Reports Act 1988*

### Significant Cash Transactions

#### **Preamble**

The *Financial Transaction Reports Act 1988* (FTR) is an initiative to assist in the detection of tax evasion and other serious criminal activity, including money laundering from drug trafficking and organised crime. To achieve these aims the FTR places certain obligations on cash dealers, including the requirement to report **significant cash transactions**. This guideline is issued by the Australian Transaction Reports and Analysis Centre (AUSTRAC) to assist cash dealers and their staff in reporting such transactions.

A report of a significant cash transaction must be made on AUSTRAC Significant Cash Transaction Form 7, Significant Cash Transaction Report, where the cash dealer is a party to a significant cash transaction.

#### **What is a Significant Cash Transaction?**

1. A significant cash transaction is a transaction involving currency (ie., coin and paper money of Australia or of a foreign country) of the equivalent of **\$10,000 or more** that a cash dealer has with a customer in Australia.

#### ***A Significant Cash Transaction may also be a Suspect Transaction.***

Where a cash dealer considers that a significant cash transaction is a *Suspect Transaction*, the transaction should also be reported on a Suspect Transaction Report Form 16.

#### **Onus to report**

2. Section 7 of the *Financial Transaction Reports Act 1988* puts the onus to report upon the cash dealer ie. the financial institution or other cash dealer involved. Whilst the staff of those institutions comprise the actual links between the marketplace and what is ultimately reported, the responsibility to ensure there is prompt and accurate reporting rests with the cash dealer concerned.

There needs to be sufficient knowledge, training and internal controls and checks within each cash dealer to meet that responsibility.

3. The *Financial Transaction Reports Act 1988* requires reporting of significant cash transactions before the end of the reporting period ie.:

(a) if the transaction involves foreign currency - the period ending at the end of the day after the day on which the transaction takes place or such longer period as is prescribed by the regulations;

(b) if the transaction does not involve foreign currency - the period ending at the end of 15 days after the day on which the transaction takes place; It is an offence for a cash dealer to refuse or fail to report

a significant cash transaction.

### **Where to report?**

4. Cash dealers must complete the Significant Cash Transaction Form 7 (supplies are available from AUSTRAC) and forward a copy of the report to:

The Director, AUSTRAC: Australian Transaction Reports and Analysis Centre (AUSTRAC) PO Box 5516 West Chatswood NSW 1515

or DX AUSTRAC 29668 or Fax  
(02) 9950 0071

Provision of report data by electronic means is strongly encouraged by AUSTRAC which will discuss the ways of doing so with any interested cash dealer. AUSTRAC receives the overwhelming majority of its reports by these means.

### **Exemption from reporting**

6. Some exemptions are available to banks, building societies and credit unions (ie. financial institutions).

In respect of cash transactions of over \$10,000 or more, *banks building societies and credit unions* need not report exempt transactions, which are:

- certain transactions between financial institutions (or between such an institution and another type of cash dealer);
- transactions with certain established retail customers (but does not include transactions involving the selling of vehicles, vessels, farm machinery or aircraft);
- transactions with public authorities; and
- routine pay-roll transactions.

A customer exemption register must be kept and this register can be audited by AUSTRAC examiners.

Exemption provisions also apply to certain transactions by *futures brokers and cash carriers* approved by the Director of AUSTRAC.

### **Who will use the information reported?**

7. Information reported by cash dealers may be utilised by the Australian Taxation Office, the Australian Customs Service, the National Crime Authority, the Australian Federal Police, State Police and certain other law enforcement agencies.

### **Further information or assistance**

8. AUSTRAC staff will be glad to assist cash dealers and their employees with any queries they may have in respect of significant cash transaction reporting.

The AUSTRAC Help Desk may be contacted on (02) 9950 0827.  
Australian Transaction Reports and Analysis Centre (AUSTRAC)  
PO Box 5516 West Chatswood NSW 1515  
Telephone (02) 9950 0827 Facsimile (02) 9950 0071 DX AUSTRAC 29668