



**Asia-Pacific
Economic Cooperation**

2020/ACT/WKSP/016

Tackling Concealment of Beneficial Ownership Through Partnership

Submitted by: Australia



**Capacity Building Workshop on Exposing the
Unseen Hands: Tackling Concealment of
Beneficial Ownership
19 October 2020**

Tackling concealment of beneficial ownership through partnership

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20 OCTOBER 2020

About AUSTRAC

Serious crime is motivated by profit, and no matter the size, most criminal acts leave a financial trail.

AUSTRAC is the Australian Government agency responsible for **detecting, deterring and disrupting criminal abuse** of the financial system to protect the community from serious and organised crime.

Criminals seek to exploit vulnerabilities within the financial sector to disguise illicit funds to enable other **serious crimes** such as terrorism, slavery, drug trafficking, child exploitation, fraud and corruption.

Through **strong regulation**, and **enhanced intelligence capabilities**, AUSTRAC collects and analyses financial reports and information to generate financial intelligence.

This vital information about potential criminals and criminal activity **contributes to our national security and law enforcement** investigations.

How AUSTRAC works

Regulating industry

AUSTRAC regulates more than **15,000 businesses** to protect them, and Australia's financial system and community, from criminal abuse.

We make sure regulated businesses **comply with their obligations** to have systems and controls in place to manage risks.

We provide regulated businesses with **guidance and education** to help them protect themselves from being exploited by criminals.

We protect the **integrity of the financial system** by ensuring regulated entities comply with the law, and can take legal action in cases of non-compliance.

Financial intelligence

Our financial intelligence specialists **collaborate with law enforcement and national security** partners to identify national security threats, and detect and disrupt criminal networks and the proceeds of their crimes.

The businesses we regulate detect and submit **suspicious matters** and report **financial transactions** to us.

Our financial intelligence specialists analyse this information to **identify potential criminal activity** or risks to national security.

We use this information to **generate financial intelligence** that contributes vital information about criminals and criminal activities to national security and law enforcement investigations.

All transactions and suspicious matters reported to AUSTRAC are also **directly available to over 5,000 designated users** within federal, state and territory partner agencies.

Working with our national intelligence and law enforcement partners

AUSTRAC is part of Australia's **National Intelligence Community**.

We work together with government agencies and law enforcement at a state and federal level to **support whole of government priorities**.

We are a member of national and state task forces, providing **specialist financial intelligence** to national security and serious and organised crime efforts.

To combat money laundering and terrorism financing across borders, we **share intelligence** with other financial intelligence units and regulators internationally.

We also contribute to international efforts by playing an active role in international AML/CTF organisations and through providing **technical assistance and training**.

Fintel Alliance

An AUSTRAC initiative, Fintel Alliance brings together **government and private sector organisations** who **work together** to increase the resilience of the financial sector and contribute to law enforcement investigations.

Beneficial ownership in Australia

AUSTRAC defines a beneficial owner as an individual who ultimately owns or controls an entity such as a company, trust or partnership.

- ‘Owns’ in this case means owning 25% or more of the entity. This can be directly (such as through shareholdings) or indirectly (such as through another company’s ownership or through a bank or broker).
- ‘Controls’ in this case means having the power to make decisions about the entity’s finances and operations. They may exert control through trusts, agreements, arrangements, understandings, policies or practices.

Australia does not maintain a central beneficial ownership register of companies or assets.

Information is available to reporting entities, law enforcement and criminal intelligence bodies through a variety of sources such as companies registers and land titles registries.



Partnerships to understand beneficial ownership

- Individuals seeking to conceal beneficial ownership work with enabling professional intermediaries such as trust and company service providers, lawyers and occasionally accountants.
- AUSTRAC, law enforcement agencies, regulators and other agencies work as partners to understand these complex arrangements.
- AUSTRAC and other agencies partner with private sector to enable intelligence analysts and investigators to see complex money flows.
- Australia partners with other jurisdictions to trace the flow of funds and beneficial ownership of legal arrangements and assets across borders.



Inter-agency partnerships

- Taskforces
 - Project Wickenby
 - Tax, FIU, Police, Criminal Intelligence, Regulators
 - Serious Financial Crime Taskforce
 - Tax, FIU, Police, Criminal Intelligence, Regulators, Customs, Prosecutors, Policy, Welfare
- Data sharing



Partnership with private sector

- Public-private partnership: Fintel Alliance
 - 29 public and private sector partners
- Priority projects on networked and complex financial crime:
 - Phoenixing
 - Money Laundering
 - Tax Crime
 - Trade-based Money Laundering



Examples of international partnerships

- Joint International Taskforce on Shared Intelligence & Collaboration (JITSIC)
 - Panama Papers Analysis
- Joint Chiefs of Global Tax Enforcement (J5)
- Egmont Group of Financial Intelligence Units



Strengthening regional partnerships

- Financial Intelligence Consultative Group
 - Funds flows related to corruption
 - Regional sharing of Politically Exposed Persons (PEP) lists

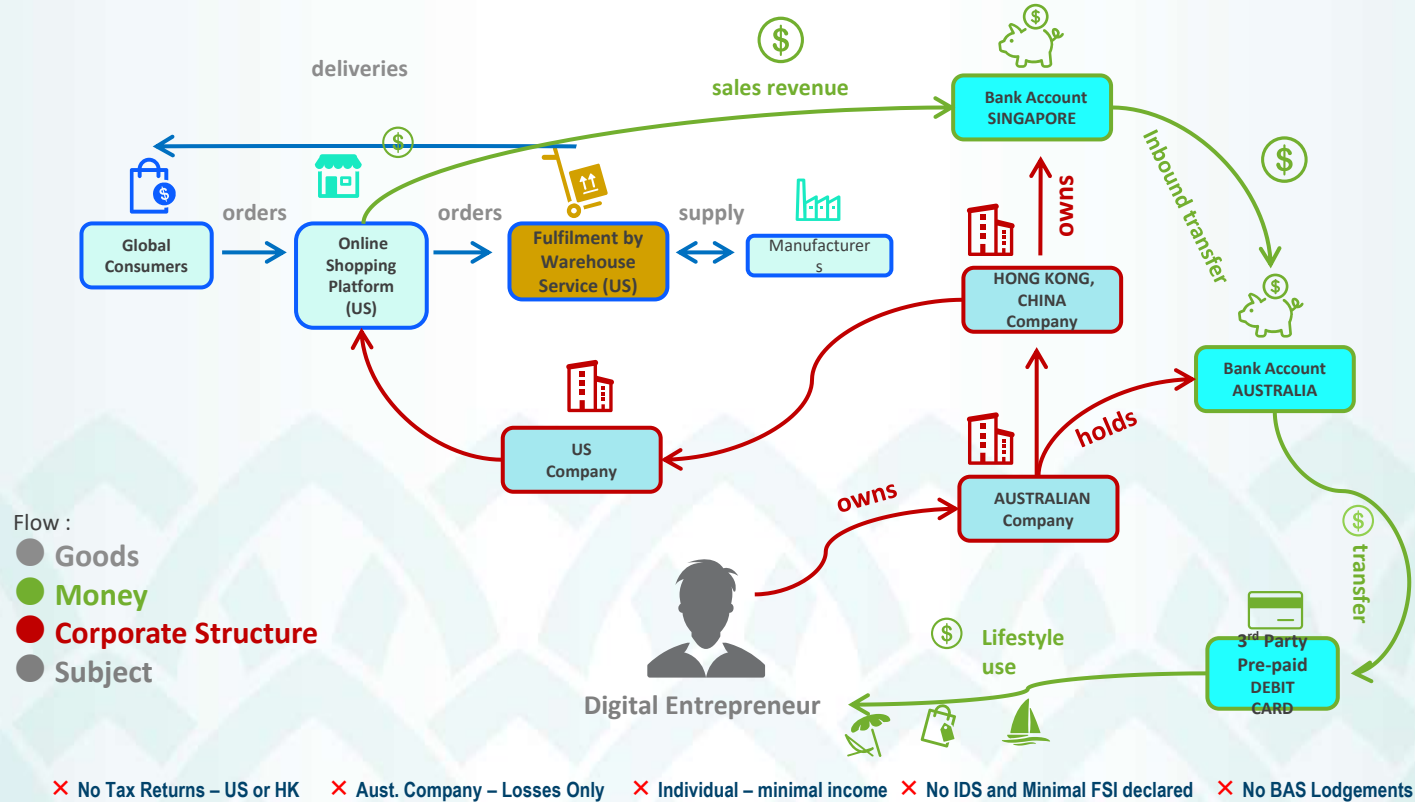


Exploitation of data

- Challenges of linking data sets
- Combining AUSTRAC transaction data with other Australian Government data
- Criminal Assets Lead Generator
- Combine data sets and analytics



Case study: Partnerships identify tax evasion across four economies





Challenges in identifying beneficial ownership

- Global compliance with FATF recommendations and immediate outcomes
- Delays in inter-governmental intelligence and evidence sharing and incomplete/poor data collection
- Issues for consideration from FATF/Egmont report on concealment of beneficial ownership



A vision for the Asia-Pacific

Leverage and strengthen the Asia-Pacific's existing relationships, capability and collaboration frameworks to harness the **power of partnership** to enhance our responsiveness to deal with criminal threats by building closer operational ties and increase operational information exchange.



Australian Government

AUSTRAC

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