



## **Anti-Money Laundering and Counter-Terrorism Financing (Digital Currency Exchange Register) Policy Principles 2018**

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I, Angus Taylor, Minister for Law Enforcement and Cybersecurity, give the following policy principles to the AUSTRAC CEO.

Dated *8 March 2018*

Angus Taylor  
Minister for Law Enforcement and Cybersecurity

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## 1 Name

These policy principles are the *Anti-Money Laundering and Counter-Terrorism Financing (Digital Currency Exchange Register) Policy Principles 2018*.

## 2 Commencement

These policy principles commence on 3 April 2018.

## 3 Authority

These policy principles are given to the AUSTRAC CEO under section 213 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

## 4 Definitions

Note: A number of expressions used in these policy principles are defined in section 5 of the Act, including the following:

- (a) AML/CTF Rules;
- (b) AUSTRAC CEO;
- (c) designated service;
- (d) registered digital currency exchange provider; and
- (e) registrable digital currency exchange service.

In these policy principles:

**Act** means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

**digital currency exchange provider** means:

- (a) between 3 April 2018 and 14 May 2018, any person who provides a registrable digital currency exchange service;
- (b) from 14 May 2018, a person who provides a registrable digital currency exchange service who has applied for registration under section 76D of the Act on or before 14 May 2018; or
- (c) a registered digital currency exchange provider.

**enforcement action** means applying for a civil penalty order or an injunction, issuing a remedial direction, giving an infringement notice, or requiring an external compliance audit under the Act.

**policy principles period** means the period of time between 3 April 2018 and 2 October 2018.

**relevant provision** means the provision of the Act or AML/CTF Rules in relation to which the AUSTRAC CEO is considering taking enforcement action.

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## 5 Enforcement action

- (1) During the policy principles period the AUSTRAC CEO may only take enforcement action against a digital currency exchange provider if the AUSTRAC CEO is satisfied that:
  - (a) the digital currency exchange provider; or
  - (b) if the digital currency exchange provider is a member of a designated business group (“DBG”), the DBG;has failed to take reasonable steps to comply with the relevant provision.
- (2) These policy principles do not apply to the AUSTRAC CEO taking enforcement action against a digital currency exchange provider if the enforcement action relates to the provision of a designated service other than a registrable digital currency exchange service.

## 6 Reasonable steps

- (1) When considering whether a digital currency exchange provider has failed to take reasonable steps to comply with a relevant provision of the Act, the AUSTRAC CEO must have regard to all relevant matters, including:
  - (a) whether the digital currency exchange provider or, as appropriate, its DBG complies with the relevant provision as soon as practicable, in respect of any person who becomes a customer between 3 April 2018 and 2 October 2018 and who is assessed by the digital currency exchange provider to be of high money laundering or terrorism financing risk;
  - (b) any transition plan or other measures implemented by the digital currency exchange provider outlining the actions and timeframes to achieve compliance;
  - (c) the extent of oversight by the Board or Chief Executive Officer of the digital currency exchange provider of any transition plan or other steps towards complying with the Act; and
  - (d) whether sufficient resources have been allocated to enable compliance with the Act before 3 October 2018.