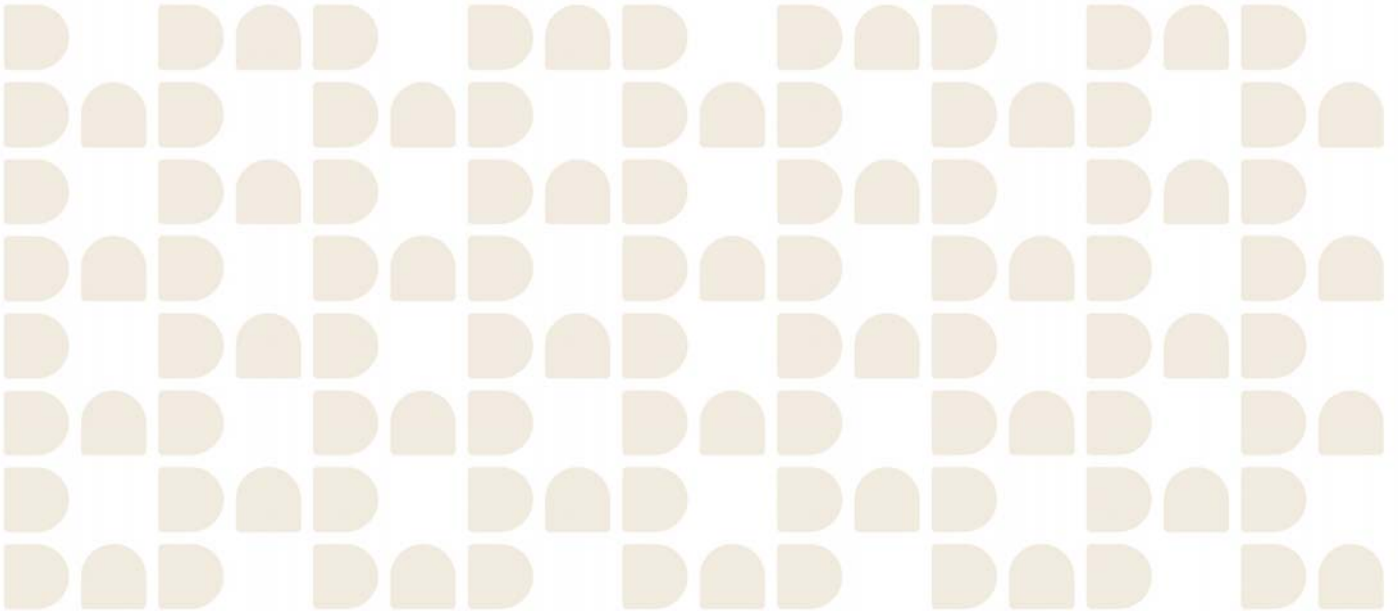

Policy Document

Anti-Money Laundering and Counter Terrorism Financing

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Anti-Money Laundering and Counter Terrorism Financing Policy

Introduction

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act), and the Anti-Money Laundering and Counter-Terrorism Financing Rules (AML/CTF Rules) aim to prevent money laundering and terrorism financing in Australia. The Australian Transaction Reports and Analysis Centre (AUSTRAC) is the Australian Government agency responsible for ensuring compliance with the AML/CTF Act. A number of regulatory obligations are placed on reporting entities, including customer and beneficial ownership due diligence, record keeping and transactions reporting. The legislation contains offences for non-compliance with regulatory obligations and sanctions.

BN not a reporting entity for purposes of the AML/CTF act

Law firms are not reporting entities for purposes of the AML/CTF act and BN is not required to register as a reporting entity

Minimising the risk of AML/CTF at BN

While not a reporting entity we still have a professional and corporate obligation to avoid being involved in money laundering or terrorism financing. Lawyers are subject to requirements prescribed by the regulatory regime of the legal profession legislation and rules of professional conduct in the various state jurisdictions. Compliance with these obligations will minimise the risk of becoming inadvertently involved in money laundering or the financing of terrorism

Reporting significant cash transactions

Any transaction of **A\$10,000** (or the foreign currency equivalent) or more in physical currency is a significant cash transaction under the Financial Transaction Reports Act (FTR Act) and must be reported to AUSTRAC in a solicitor significant cash transaction report (SCTR). For example, we must report when:

- a client gives us A\$10,000 or more in physical cash
- a solicitor acting on behalf of a client, pays A\$10,000 or more in physical cash to us

Only cash transactions have to be reported to AUSTRAC – we do not have to report electronic funds transfers.

This requirement to report to AUSTRAC applies to:

- solicitors
- solicitor corporations
- partnerships of solicitors.

It is an offence to make a transaction in a way that enables us to avoid reporting obligations.

All cash transactions of AUD10,000 or greater must be notified to the National Finance Manager who will coordinate the AUSTRAC reporting.

If the transaction involves foreign currency, we must report by the end of the day after the transaction took place.

If all of the transaction was in Australian currency, we have until 15 days after the day the transaction took place to report.

Designated services

Solicitors who provide designated services with a geographical link to Australia must report to AUSTRAC. Designated services include a range of business activities in the financial services, bullion, gambling and digital currency exchange sectors. Entities that provide any of these services are reporting entities. The current operations of BN do not include designated services.

Strategies to prevent exposure to AML/CTF

Good business management will enable us to minimise the risk of exposure to involvement in money laundering and terrorism financing. Be alert for clients or matters involving:

- Large quantities of cash
- Unusual or unexpected sources of funding
- Unusual or unnecessarily complicated business structures or transaction paths
- Loss making, mis valued transactions or transactions that do not make commercial sense
- Unusually secretive or obstructive clients
- Litigation matters that are settled too easily
- Instructions outside our normal geographic area, area of expertise, or client market
- Transactions originating from suspect territories or jurisdictions

Should you suspect exposure of the firm to money laundering and/or terrorism financing risk, please raise it immediately with the CEO or a member of the Audit and Risk Committee who will determine how to respond.

Compliance with Sanctions

Further to the strategies outlined above the firm will periodically review our client base / address lists against relevant sanctions lists including

- the US Office of Foreign Assets Control (OFAC)
- United Nations Security Council (UNSC)
- Australian autonomous sanctions as published by the Australian Sanctions Office (ASO)

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