

Arctic Intelligence warns many Australian businesses may be vulnerable to financial crime

Arctic Intelligence, a market-leader in financial crime prevention audit, risk and compliance software, warned today that many Australian businesses may be unaware that their internal risk assessment processes do not go far enough; leaving them vulnerable to money laundering, terrorist financing, sanctions and regulatory non-compliance.

With organised crime is estimated to cost the Australian economy more than \$36 billion a year (source: <https://www.acic.gov.au/about-crime/crime-types>), government regulations are tightening and the spotlight is on businesses who may be a target for financial crime, to ensure that they have appropriate controls and programs in place.

The Australian Transaction Reports and Analysis Centre (AUSTRAC) is responsible for ensuring that more than 14,000 Australian businesses, across the financial services and gaming sectors, comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF). To meet regulatory requirements under the Act, affected businesses must conduct and maintain an ML/TF risk assessment that identifies and assesses risks and controls across a range of risk categories including; customers, products and services, channels and geographies. It is expected that the risk assessment is undertaken whenever the business' risk profile changes and must be subject to Board approval.

Founder and CEO of Arctic Intelligence, Anthony Quinn said, "A key component of an anti-money laundering program is the risk assessment. If the risk assessment is not accurate and doesn't truly reflect the nature, size and complexity of a business, and the systems, procedures and controls that have been implemented are not appropriate and proportionate to these risks, then the AML/CTF program will not be fit for purpose."

"While we fully support the requirements laid out by AUSTRAC, we strongly urge organisations to include additional areas of risk in their assessment, including the internal and external environment in which they operate, their employees, and third party outsourcing."

"Our anti-money laundering risk and compliance software, AML Accelerate (AML A) is used by many leading financial and designated non-financial services businesses both in Australia and overseas. AML Accelerate includes six areas of risk assessment: environment, customer, business, product and service, channel, and country. Starting from this robust assessment of risk to their business, our customers are able to build out an internal anti-money laundering program that compiles with government regulations and helps to protect their business from financial crime."

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