



AUSTRALIAN COLLECTORS &
DEBT BUYERS ASSOCIATION

12th February 2025

General Manager
Regulatory Policy
AUSTRAC
PO Box K534
Haymarket NSW 1240

Transmitted via Electronic Submission Only

Dear Sir/Madam,

Exposure Draft AML/CTF Rules (January 2025)

The Australian Collectors & Debt Buyers Association appreciates the opportunity to provide the attached Submission in response to AUSTRAC in relation to its consultation on the Exposure Draft AML/CTF Rules.

Please do not hesitate to contact the writer to discuss any aspect of the Submission.

Yours sincerely

A handwritten signature in black ink, appearing to be 'JM' with a flourish.

Jacob Maiore
CEO of the AUSTRALIAN COLLECTORS & DEBT BUYERS ASSOCIATION
Email: ceo@acdba.com

Introduction

Australian Collectors & Debt Buyers Association (ACDBA) welcomes this opportunity to comment on the 'Exposure Draft AML/CTF Rules' dated January 2025.

ACDBA was established in 2009 for the benefit of companies who collect, buy and/or sell debt. Our members (refer Appendix 1) represent the majority of the collection market in Australia.

ACDBA members do not issue loans directly, rather they acquire defaulted loan portfolios from banks and other financial institutions. As assignees of regulated credit contracts, our members are required to be members of the AFCA scheme.

Response

The ACDBA supports the continued inclusion of the Debt Collection Exemption in the Exposure Draft of the AML/CTF Rules. The exemption, as previously outlined as Rule 45.3 of the current AML/CTF Rules, ensures that debt collectors are not subject to AML compliance obligations which are disproportionate to the risks raised when conducting routine debt recovery activities.

The exemption should be retained due to the following reasons:

- Debt collection has consistently been classified as low risk under regulatory frameworks. Debt collection involves the recovery of existing, legally owed funds rather than facilitating new financial transactions. The current exemption remains aligned with the objectives of the AML/CTF Act.
- Debt collection is conducted on existing defaulted or charged off obligations, which are routinely passed through AML/CTF processes of the previous or primary creditor at earlier stages of transactions.
- Debt collectors retain the responsibility of Suspicious Matter Reporting, which is in line with the previous or primary creditor's obligations on an ongoing basis.
- Consistency with past regulatory rules, the exemption long being recognised as necessary and appropriate. The reasoning behind its inclusion remains unchanged.
- Removing the exemption would impose significant compliance costs on debt collectors without any corresponding benefit to the current AML/CTF objectives.

ACDBA previously submitted concerns regarding these issues, in its submission of 30th October 2009. That submission outlined the consequences and practical challenges ACDBA members would face without the exemption. A copy of this submission is available upon request.

ACDBA supports the decision to retain the Debt Collection exemption and remains committed to upholding the interests of its stakeholders. We are available to discuss the exemption as needed and we thank you for the opportunity to be involved in this review.

Contact

For any enquiry in relation to this Submission, please contact:

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Appendix 1

Members of Australian Collectors & Debt Buyers Association

- Axxess Recoveries & Collections Pty Ltd
- CCC Financial Solutions Pty Ltd
- Charter Mercantile Pty Ltd
- Complete Credit Solutions Pty Ltd
- Credit Corp Group Limited (ASX: CCP)
- Lyndon Peak Pty Ltd t/as Access Mercantile Services
- PF Australia Pty Ltd
- PRA Australia Pty Ltd
- Recoveries Corporation Holdings Pty Ltd
- Strategic Collections Pty Ltd

Affiliate Members of Australian Collectors & Debt Buyers Association

- Acceleon Pty Ltd
- CreditSoft Solutions Pty Ltd
- Experian Australia Pty Ltd
- Talefin Australia Pty Ltd
- TCN
- Collect!