

**ROYAL COMMISSION INTO MISCONDUCT IN THE BANKING, SUPERANNUATION AND
FINANCIAL SERVICES INDUSTRY**

John Telford
Secretary
Victims of Financial Fraud (VOFF Inc)
17 October 2018

Submission - response to the Interim Report.

To The Banking Royal Commission,

Following the release of the Banking Royal Commission Interim Report, on 12 October 2018 Shayne Elliott Chief Executive Officer, ANZ, invited disgruntled bank customers to email him directly.¹ On 16 October 2018 VOFF asked Mr Elliott why the ANZ Custodian Services of Trio Capital and Astarra Strategic Fund, over a three to four year period, sent nearly \$200m overseas but are exempt from AML-CTF law?

Mr Elliott's letter dated 16 October 2018 said, *"I refer to the letter by email dated 16 October 2018. ANZ is "not exempt from AML-CTF" laws and is required to, and does, meet its reporting obligations to AUSTRAC including the obligation to report all cross-border funds transfers."*

Interim Report Volume 2 page 77 notes that ANZ "fell short of community expectations" over certain issues and the approach ANZ took to complaints ... as 'ad hoc'. VOFF would like to acknowledge Mr Elliott's prompt reply to our question.

Mr Elliott's reply to VOFF provides information that challenges the Parliamentary Joint Committee's 2012 statement, *"The custodian does virtually nothing to protect the funds of investors. It makes no independent checks before transferring money offshore. Instead, the custodian simply acts on the instructions of the responsible entity"*.²

VOFF understood the above statement to mean that responsibility stopped with the RE. In Trio's case, the RE was the perpetrator of the fraud who didn't act in the interest of the investors.

Mr Elliott has thrown new light on the custodian's obligations under AML-CTF laws and raises the question did the PJC get it wrong in 2012?

The PJC Committee even recommended ASIC to look into strengthening *'safeguards that a custodian could put in place to ensure it is able to identify and report suspicious transfers that do not trigger the anti-money laundering provisions.'*³

Why didn't ASIC clarify?

Thank you
John Telford
Secretary
Victims of Financial Fraud (VOFF Inc)

¹ Peter Ryan ANZ boss Shayne Elliott urges disgruntled customers to email him directly 12 Oct 2018
<http://www.abc.net.au/news/2018-10-12/anz-boss-shayne-elliott-fronts-parliament/10368460>

² The Parliamentary Joint Committee on Corporations and Financial Services Inquiry into the collapse of Trio Capital, May 2012 Report Page 132

³ PJC Report May 2012 pp 132 & 133