

22 October 2008

The Manager

Dear Business Owner

**COMMITTEE OF BUSINESS INCORPORATORS AUSTRALIA INC (CBIA Inc)  
JOIN NOW TO FACE THE CHALLENGES OF THE ANTI-MONEY LAUNDERING ACT AS  
AN INDUSTRY GROUP**

*Our industry's challenges*

All small to medium sized businesses face day to day challenges, especially in today's economic climate. However company formation and registry businesses are facing a new and specific challenge under the terms of the proposed second tranche of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* ('**AML Act**').

The purpose of the AML Act is to address the risk of money laundering in Australia and the threat to national security caused by the financing of terrorism.

The first set of reforms enacted in 2007 covered the financial sector including banks, credit unions, building societies, trustees, casinos, TAB betting services and bullion dealers.

The second tranche will cover the following industries:

- Real estate agents
- Dealers in precious metals and stones
- Accountants, lawyers and company service providers in respect of a range of non-financial transactions.

We are advised that these non-financial transactions include but are not limited to:

- company formations
- the establishment of trusts
- management activities of companies
- changes to officeholders, registered offices and principal places of business.

Depending on the number of services you offer to your clients your services may fall within some of the designated services set out in Table 5 and Table 6 of the proposed second tranche of the AML Act.

If you are in the business of providing a designated service your business will be classified as a reporting entity and will be required to collect information and carry out certain procedures regarding the verification of a customer's identity *before* providing the designated service.

I urge you to go to the Austrac website to find out more information about this proposed legislation. A link to Austrac can be found on CBIA Inc's website at [www.cbiam.org.au](http://www.cbiam.org.au).

In addition, please read the submissions made by Corporate Express and Chartered Secretaries Australia to the Attorney-General in relation to the proposed second tranche of the AML Act which are posted on the website.

As you can appreciate, this legislation will have a major impact on the business models of many company formation and registry businesses not to mention the cost and efficiencies of doing business in Australia.

Further challenges arise by virtue of the fact that the services ASIC provides do not fall under the AML Act. Accordingly ASIC does not have any increased or changed responsibilities for company registration or other registry lodgements but its lodging agents do.

It is imperative that our industry be consulted in the drafting of this Bill. Consultation can only be achieved through an industry body such as CBIA Inc.

### ***What is CBIA Inc?***

CBIA Inc is a newly formed incorporated association seeking membership from within the company formation industry.

CBIA Inc has been the initiative of seven founding member businesses located throughout Australia which have recognised the need for the creation of a peak industry body to represent the company formation and registry industry.

The objects of CBIA Inc are -

- (a) *To represent and advance the company formation and company compliance industry within Australia.*
- (b) *To provide industry representation with all levels of government and their agencies in respect of programs, policies, acts and regulations that impact upon the industry.*
- (c) *To affiliate with other bodies and take such action as may be considered appropriate to ensure that the industry is adequately represented at all levels of government and the community.*
- (d) *To develop uniform practices within the industry to comply with all legislation governing the industry.*
- (e) *To adopt a role providing or promoting knowledge and administrative infrastructure to the industry.*
- (f) *To do all things that are incidental or conducive to the attainment of these objects.*

A copy of the Rules of CBIA Inc are set out in full on its website [www.cbiam.org.au](http://www.cbiam.org.au)

### ***What can CBIA Inc do for your business?***

The founding members of CBIA Inc determined that financial efficiencies and effectiveness in relation to the challenges posed by the second tranche of the AML Act could only be achieved by forming an industry body to collectively advise and represent the businesses that make up the industry.

CBIA Inc has instructed Alison Deitz of Deacons to:

- provide advice to the members of CBIA Inc in relation to the effect of the second tranche of the AML Act on their business practices;
- to draft submissions to the Attorney-General on behalf of CBIA Inc; and
- to represent CBIA Inc in the consultation process.

Representation by Alison Deitz was chosen by CBIA Inc because of her expertise in the AML legislation and her ability to obtain consultation with the Attorney-General. To read more about Alison follow this link [www.deacons.com.au/lawyers/alison-deitz/?person=139](http://www.deacons.com.au/lawyers/alison-deitz/?person=139)

It is imperative that action be taken now as the draft Bill is currently being drafted and is expected to be published in February 2009.

The submissions will seek clarification in respect of the wording of the designated services, the definitions of the customer and a 'carve out' from compliance with the AML Act in respect of some of the designated services.

Irrespective of the success of the submissions there is no doubt that our industry will fall within some of the provisions of the AML Act. This will mean that our industry must develop practices to comply with the legislation. One of the objects of CBIA Inc is to assist its members in the development of these practices.

The implementation of the ALM Act is only one of the challenges facing the industry. It is envisaged that the role and benefits of being a CBIA Inc member will grow as its membership grows.

### ***Who can join?***

To qualify as a member of CBIA Inc you or your business must be registered with ASIC to lodge documents using ECR, Edge or an ASIC portal and provide the services of company formations to your clients.

### ***Founding members***

The founding members of CBIA Inc are -

- Corporate Express (NSW)
- Castle Corporate Pty Ltd (VIC)
- Espreon Corporate Services (NSW)
- David Garry & Associates (SA)
- Patricia Holdings Pty. Limited (NSW)
- Company Compliance & Advisory Services Australia (C.C.A.S.A.) (WA)
- Rapid Companies (QLD)

The committee members of CBIA Inc are –

Judi White	President/Treasurer (Corporate Express)
Jennifer Hanley	Vice President (Castle Corporate Pty Ltd)
Craig Stevens	Secretary (C.C.A.S.A.)
Russell Scott	Member (Espreon Corporate Services)
Christine Lambert	Member (Patricia Holdings Pty. Limited)
David Garry	Member (David Garry & Associates)

Please do not hesitate to contact any of the committee members with any questions you may have in relation to CBIA Inc.

***How much does it cost of join CBIA Inc?***

The once-off joining fee is \$500. The membership fee is \$250 per annum.

***Join now!***

If you or your business meet the membership qualification, please complete the enclosed membership application form and send it with a cheque for your joining and membership fees to:

CBIA Inc  
GPO Box 3712  
SYDNEY NSW 2001

You may also download a membership application form from the CBIA Inc website at [www.cbiam.org.au](http://www.cbiam.org.au).

We look forward to you joining our association.

Yours faithfully

***Judi White***  
***President***



Committee of Business Incorporators Australia Inc

## APPLICATION FOR MEMBERSHIP

COMMITTEE OF BUSINESS INCORPORATORS AUSTRALIA INC

Registration No INC9889993

We

\_\_\_\_\_

*(full name of applicant)*

of

\_\_\_\_\_

*(address)*

hereby apply to become a Member of the abovenamed incorporated association. In the event of admission as a Member, I/we/this company agree(s) to be bound by the Rules of the Committee of Business Incorporators Australia Inc for the time being in force and enclose fees of \$750.00, being the joining fee of \$500.00 and the membership fee of \$250.00.

Contact details for this applicant are as follows:-

[Please note that if a facsimile number or email address is provided the applicant hereby consents to notices being served by CBIA Inc upon the applicant by facsimile or email.]

Telephone:

Facsimile:

Email:

Person to contact:

Dated:

### EXECUTION BY APPLICANT

#### Individual Applicant

Signature of Applicant

#### Incorporated Applicant

Signature of Authorised Signatory

Name of Authorised Signatory

Position of Signatory within  
Organisation

If a second authorised signatory is required:-

Signature of Authorised Signatory

Name of Authorised Signatory

Position of Signatory within  
Organisation

Suite 506  
267 Castlereagh Street  
Sydney NSW 2000  
Telephone 1300 886 939

[www.cbia.org.au](http://www.cbia.org.au)