



Policy: Banking Facilities

Purpose

To establish guiding principles that all bank accounts opened by the University must adhere to, in order to ensure compliance with relevant legislation.

Overview

Given the significant risk of financial crime in the University's contemporary operating environment, particularly in relationship to money laundering and terrorist financing, the implementation of this policy as a foundational element of the University's treasury framework underpins the due diligence required under applicable legislation.

Definitions

AML/CTF Act: [*Anti-Money Laundering and Counter-Terrorism Financing Act 2006*](#) (Cth).

Beneficial Owner: A person or entity that derives a benefit through holding an asset of any description in their name, whether exclusively or as a majority equity stakeholder.

FATF: [*Financial Action Task Force*](#), being the international inter-governmental body which sets standards and promotes effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.

High-Risk Payments: payments received from, or payments made to, overseas bank accounts where the payment is made to or received from an entity that the University has little knowledge of and is unable to undertake due diligence.

Scope

This Policy applies across all areas of the University and its wholly-owned subsidiaries. Where a local protocol at a subsidiary level is inconsistent with this Policy, this Policy takes precedence.

Policy Statement

Principles

1. Staff maintaining or entering into banking agreements/credit facilities on behalf of the University are required to comply with all directions from ANU Council or its delegated authority, including:

- a. To strengthen the University's capacity to detect, manage and escalate fraud, financial crime, money laundering and terrorist financing.
- b. To develop a robust framework that proactively verifies the information of vendors and customers to ensure risks associated with AML/CTF are appropriately mitigated.
- c. To reduce the University's risks of being subject to fraudulent activity and/or financial loss as a result of criminal activity relating to fraud and financial crime, money laundering or terrorist financing by inadvertently facilitating transactions that enable such activities.
- d. To ensure the University meets international obligations as well as Commonwealth regulations, ensuring the University is not vulnerable to serious and organised crime including fraud and tax evasion and other criminal and corrupt activities.

2. The University, through its staff is required to take reasonable measures to understand the ownership structure of all customers and vendors, including beneficial owners and controlling entities. This is to enable the University to sufficiently understand the customer or vendor they are dealing with, to be able to properly assess the potential money laundering and terrorist financing risks associated with the business relationship and assess appropriate steps to mitigate that risk. Where possible, the due diligence should be conducted through searches of Australian and foreign government registers of businesses.

3. Reasonable measures in exercising due diligence include:

- a. verification of the full names of the customer/vendor and the legal and beneficial owners;
- b. authentication of legal and beneficial owners through verification of date of birth or residential address; and
- c. for vendors, verifying the address of the place of business, full bank details and a tax identification number.

4. In accordance with FATF guidelines, transactions with countries that are not formally registered in line with local business registration requirements, or states that are the subject of United Nations Security Council or the Australian governments' Autonomous

Sanctions Act 2011 (Cth) and its associated *Autonomous Sanctions Regulations 2011*, are considered risky and engaging with these organisations may trigger consequences. For client or vendor bank accounts located in high-risk countries, Anti-Money Laundering compliance is obligatory. This includes performing necessary background checks and verification.

5. The University will collect information on the purpose and intended nature of the business relationship of vendors.

6. A comprehensive client due diligence is undertaken to identify and verify beneficial owners of a customer or vendor that is a legal person or arrangement. When a customer or vendor is acting on behalf of another person (such as parents of a student), reasonable steps are undertaken to verify the identity of that other person.

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