



Exposure draft legislation for an economy-wide cash payment limit of \$10,000

Quick Facts

Rationale: The introduction of an economy-wide cash payment limit is a recommendation from the Black Economy Taskforce and sends a strong signal to the community that it is not acceptable to avoid tax and other obligations by paying with cash.

Start date: 1 January 2020 and for certain AUSTRAC reporting entities from 1 January 2021.

What transactions are covered by the cash payment limit?

The limit applies to all cash transactions equal to or in excess of \$10,000, except for those that meet the conditions specified in the draft Currency (Restrictions on the Use of Cash—Excepted Transactions) Instrument 2019.

What are examples of exempt transactions?

All cash deposits and withdrawals from your bank account with an authorised deposit-taking institution (ADI), exchanging foreign currency and all consumer to consumer transactions such as selling a second-hand car but excluding real property transactions.

Are there any new reporting requirements?

This will not impose additional reporting requirements on businesses and consumers.

What happens if you break the limit?

From 1 January 2020 it will be a criminal offence to make or accept a payment from businesses that includes \$10,000 or more of cash. It is also offence to make or accept a cash donation equal to or in excess of \$10,000. The maximum penalty is up to two years imprisonment and/or 120 penalty units (\$25,200).

How does the cash payment limit apply to payment plans?

The cash payment limit will apply to the total price of a single supply of goods or services, regardless of whether the price is split into a series of payments over time.

The total cash payments made towards the final price paid must not equal to or exceed \$10,000. The remainder of the payments must be made electronically or by cheque.

Email your questions to Blackeconomy@treasury.gov.au

Proposed changes to Threshold Transaction Reporting for AUSTRAC reporting entities

The proposed change: From 1 January 2021 many AUSTRAC reporting entities will no longer need to report threshold transactions to AUSTRAC. Instead they will be subject to the cash payment limit like all other businesses in the economy.

Note: Certain transactions for services provided by ADIs and foreign currency exchanges will continue to be subject to threshold transaction reporting obligations and will therefore be exempt from the cash payment limit.

Questions on AUSTRAC reporting obligations can be directed to:

antimoneylaundering@homeaffairs.gov.au

Next steps and key milestones for implementation

Following public consultation the Government will consider feedback and introduce the Bill to Parliament.

The cash payment limit will start 1 January 2020 and for certain AUSTRAC reporting entities from 1 January 2021.

How to make a submission

Submissions are due by Monday 12 August.

You can access the exposure draft legislation and accompanying explanatory materials at:

<https://www.treasury.gov.au/consultation/c2019-t395788>

Send your submission to Blackeconomy@treasury.gov.au