

5 August 2019

Manager  
Black Economy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

**Re: Currency (Restrictions on the Use of Cash) Bill 2019**

I am Dr Wilson Sy. I have worked for ten years in investment banking, funds management and asset consulting. In financial regulation, I have worked for three years at ASIC and six years at APRA as Principal Researcher. I was seconded for one year as a senior adviser to the *Super System Review* (Cooper Review) until 2010. I am seriously concerned about developments in the Australian financial system.

My submission argues that the draft bill should be rescinded and if proposed, should be rejected by the Parliament, because the *Black Economy Taskforce (BET)* report on which the proposed legislation is based, has little credibility in its recommendations.

- The *BET* report originates from KPMG, which is a [REDACTED] and has been fined millions for fraud and misconduct in auditing. In particular, KPMG paid US\$456 million penalties in 2005 for criminal wrongdoing in creating fraudulent tax shelters to help wealthy US clients dodge US\$2.5 billion in taxes. For KPMG to recommend measures against tax avoidance in *BET* to combat the black economy is outrageous hypocrisy.
- The *BET* report fails to provide reliable evidence that the Australian black economy is a significant problem. On the dubious assumption that the black economy is in fact a problem, the *BET* report puts as its first recommendation setting an economy-wide \$10,000 limit on cash payments, without evidence for the effectiveness of such limits.
- For decades now, AUSTRAC and other agencies have been collecting data systematically on all payments over \$10,000. The *BET* report provides no analysis from the abundant data to prove the merit of setting the \$10,000 payment limit. Admitting that cash payments are actually in decline relative to electronic payments, the report fails to justify limiting cash payments when they are already diminishing.
- Further down the list of *BET* recommendations are suggestions for the Government to improve its use of data and information technology and to enforce existing laws. The Government should adopt immediately these recommendations, instead of wasting resources in introducing unnecessary new laws with potentially unintended consequences. We need the enforcement of existing laws, not more new laws.

In conclusion, the draft legislation has little merit or integrity. It should be rescinded and consigned to the dustbin of history. *BET* is a gamble by the Government to slip through another repressive law to trap people's savings in banks to be looted by "bail in" in crises.

Kind regards,

Dr Wilson Sy  
*Investment Analytics Research*