

Client Identification Procedure for Intermediaries

Description: The introduction of Anti Money Laundering and Counter-Terrorism Financing (AML/CTF) Act 2006 places an obligation (effective 12 December 2007) on all intermediaries to verify the identity of Clients where arrangements are made for a person to receive a “designated product or service”.

Definition: **Designated Product or Service:**

<i>Activity: Adviser Arranges for Clients to..</i>	<i>Designated Product or Service Provided</i>
Obtain or be issued with new or additional...	Interests/units in a managed investment scheme
Open or make an additional deposit...	Money Market Deposit Accounts

Certified Copy – a document that has been certified as a true copy of an original document by an authorised person. **See Schedule 9** at the rear of this document for details of authorised persons.

Identification Procedures: Intermediaries must verify the Client’s identity prior to arranging for a designated product or service. The identification procedure depends on the Client type and whether the Client is an Australian or foreign resident. Client types are as follows:

- Individuals
- Companies
- Trustees of a Trust
- Partner of a Partnership
- Associations (incorporated or unincorporated)
- Registered Co-Operatives
- Government Bodies
- Client’s Agents

Identification procedures fall into two categories:

- Standard
- Non Standard

The Standard Client identification procedure should be used in all cases, where possible.

Standard Identification Procedure

To conduct a standard identification procedure using Australian documents, intermediaries are required to:

- Collect the Client's full name, date of birth and residential address; and
- Verify the Client's full name and either their date of birth or residential address from either an original or certified copy of one of the following current documents:
 - Australian driver's license containing a photograph of the person
 - Australian passport (it is also permissible for a passport to be issued by the Commonwealth to have expired within the preceding 2 years)
 - Card issued under a State or Territory law, for the purpose of proving a person's age, containing a photograph of the person in whose name the card is issued.

Intermediaries must photocopy the identification document and ensure that the following information can be clearly read:

- Name of issuer of the document;
- Date of issue;
- Date of expiry (where applicable);
- Document number (where applicable); and
- Whether the Client's identity has been verified from an original document or a certified copy

Industry standard Client Identification Forms have been established by IFSA/FPA to assist intermediaries when collecting this information. Intermediaries must complete the relevant form, and attach a copy of the identification document. To obtain additional copies of these forms, please contact DDH Graham Limited.

A copy of the relevant Client Identification Form and a copy of the identification document provided must be forwarded to DDH Graham Limited when requested.

The original Client ID form and the copy of the identification document may be retained on the Client's file where a Broker Agreement exists with DDH Graham Limited. Alternatively it must be forwarded to DDH Graham with the Money Market Deposit Account Application Form.

Non Standard Identification Procedure

A non-standard Client identification procedure should only be conducted where:

- A standard Client identification procedure was unable to be conducted eg. the Client did not have the required documents; or
- A discrepancy arose from the information collected and verified during a standard Client identification procedure; or
- Having conducted the standard Client identification procedure, the Adviser is not reasonably satisfied that the Client is the individual he or she claims to be.

An acceptable non-standard identification procedure using Australian documents is to be based on an original or certified copy of:

- Australian birth certificate; or
- Australian citizenship certificate; or
- Pension card issued by Centrelink or
- Health card issued by Centrelink; **and**

An original notice issued to an individual, of a kind listed below, that contains the name of the individual and his or her residential address:

- issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits; or

- issued by the Australian Taxation Office within the preceding 12 months; or
- Issued by a local government body or utilities provider within the preceding 3 months that records the provision of services to that address or to that person.

A copy of the relevant Client Identification Form and a copy of the identification document provided must be forwarded to DDH Graham Limited when requested.

The original Client ID form and the copy of the identification document may be retained on the Client's file where a Broker Agreement exists with DDH Graham Limited. Alternatively it must be forwarded to DDH Graham with the Money Market Deposit Account Application Form.

**Ongoing
Identification
Procedure
Requirements**

Where DDH Graham Limited has reason to doubt the identity of a previously identified customer, they will approach the intermediary for assistance in confirming the accuracy of customer identity details and, if necessary, request re-verification. Any required re-verification should take place within 14 days.

**Tools and
References:**

For further information, refer to:

IFSA/FPA Industry Guidelines – Managing mutual obligations under Chapter 7 of the Anti-Money Laundering and Counter- Terrorism Financing Rules November 2007

**Further
Assistance:**

If you require further clarification on any of these requirements, please contact:

DDH Graham Limited

Ph: (07) 3229 6133

Toll Free: 1800 006 133

Email: moneymarket@ddhgraham.com.au

Schedule 9: Certified copy (of an original document)

“**Certified copy**“ means a document that has been certified as a true copy of an original document.

“**Certified extract**“ means an extract that has been certified as a true copy of some of the information contained in a complete original document by one of the persons described in paragraphs (1) – (15) below.

People who can certify documents or extracts are *[italics added for ease of comprehension]*:

1. *(a lawyer)* a person who is enrolled on the roll of the Supreme Court of a State or Territory, or High Court of Australia, as a legal practitioner (however described);
2. a judge of a court;
3. a magistrate;
4. a chief executive officer of a Commonwealth court;
5. a registrar or deputy registrar of a court;
6. *a Justice of Peace*;
7. a notary public (for the purposes of the Statutory Declaration Regulations 1993);
8. *a police officer*;
9. *(the post office)* an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
10. *(the post office)* an permanent employee of The Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
11. an Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955);
12. an officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993);
13. a finance company officer with 2 or more continuous years of service with one or more financial companies (for the purposes of the Statutory Declaration Regulations 1993);
14. an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees; and
15. *(an accountant)* a member of the institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.