

# SUBMISSION

Submission to AUSTRAC  
— Consultation on draft  
updated guidance to  
assist customers who  
don't have standard  
identification

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21 October 2024

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Via email: [Guidance\\_Consultation@austrac.gov.au](mailto:Guidance_Consultation@austrac.gov.au)

21 October 2024

Dear Sir / Madam,

### **Consultation on draft updated guidance to assist customers who don't have standard identification**

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission on with respect to your consultation on draft updated guidance to assist customers who don't have standard identification.

#### **ABOUT ASFA**

ASFA, the voice of super, has been operating since 1962 and is the peak policy, research and advocacy body for Australia's superannuation industry. ASFA represents the APRA regulated superannuation industry with over 100 organisations as members from corporate, industry, retail and public sector funds, and service providers.

We develop policy positions through collaboration with our diverse membership base and use our deep technical expertise and research capabilities to assist in advancing outcomes for Australians.

ASFA seeks to ensure that member outcomes are appropriate, optimised and there are no unintended consequences flowing from policy decisions that affect superannuation.

#### **GENERAL COMMENTS**

ASFA's member organisations welcome the opportunity to provide feedback on AUSTRAC's draft updated guidance on alternative identification processes that reporting entities can use to assist customers who may have difficulty providing standard identification (Draft Guidance).

Overall member feedback is that the changes are welcomed and better support reporting entities in making risk-based decisions. They support the use of a flexible, risk-based approach to customer identification to ensure that those with diverse backgrounds or facing challenging circumstances can access the financial services that they need, resulting in better financial inclusion.

#### **SPECIFIC COMMENTS**

Our member organisations have provided the following specific feedback on the Draft Guidance:

##### **1. Migrants**

Member organisations have advised they often deal with migrants who have a difference between the name attached to their superannuation account and their formal identification documents.

In a number of instances the migration may not be recent and there is no linking documentation for the difference between the names.

Member organisations have suggested that consideration could be given to addressing this, possibly in the 'Referee Statement' section and what should be included on a statement, including incorporating a worked example with respect to a migrant.

In this context members have noted that there is a worked example in 'Applying this flexible approach to Aboriginal and Torres Strait Islander customers - Example 3: Inconsistent Identification documents' but this example appears to be confined to Aboriginal and Torres Strait Islander customers and so have recommended extending this to include other scenarios, such as migrants.

## **2. Customers declaring their own identity (self-attestation)**

Member organisations have recommended making it clear that a referee statement is a last option prior to self-attestation by moving the last bullet point ('Can't nominate an independent referee who meets your customer identification requirements.') to the opening paragraph, as well as suggesting some minor wording changes as per below:

~~In limited circumstances, if you can't establish the identity of a customer in any other way,~~  
**and they are unable to nominate an independent referee who meets your customer identification requirements,** you may be able to accept a customer's self-attestation (statement) of their identity. To reduce ML/TF risks you must only use self-attestation ~~in limited circumstances and~~ as a last resort.

## **3. Question 5: feedback to support greater inclusion of Aboriginal and Torres Strait Islanders**

Members organisations have suggested that customers and reporting entities may require more assistance to be able to meet the requirements for alternative ID.

Members have identified that it can be challenging to know:

- who to contact from those who offer financial counselling services
- how to go about verifying an Elder

in order to be able to assist a member/customer.

They have recommended that – if AML/CTF officers were able to have access to community registers, so reporting entities could be aware of what organisations are available to be contacted in various locations and how best to request assistance – this would represent a considerable improvement in efficiency and effectiveness and would facilitate enhanced outcomes for members.

Ideally this would be centralised and could take the form, for example, of a national 'phone number to be able to call Financial Counselling Australia who would then, based on geography, advise the reporting entity of the contact details of one or more local financial counselling organisations in the area relevant for the member/consumer.

## **4. Vulnerable customers**

Member organisations have observed that reference is made to different types of customers but, in general, the term 'vulnerable' is not used.

Members have suggested that it may be useful for users of the guidance to appreciate that

- most of these customer will be vulnerable
- for the majority, obtaining alternative ID could prove to be a complex and overwhelming
- consideration should be given to providing additional assistance to these customers.

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If you have any queries or comments in relation to the content of our submission, please contact Fiona Galbraith, Director Policy, on 0431 490 240 or by email [fgalbraith@superannuation.asn.au](mailto:fgalbraith@superannuation.asn.au).

Yours sincerely

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