



AML/CTF – Know Your Customer KNOWLEDGE

What is money laundering? (AML = Anti Money Laundering)

The goal of most criminal acts is to generate a profit. Money laundering is the processing of criminal profits to disguise their illegal origin.

What is terrorism financing? (CTF = Counter-Terrorist Financing)

The term terrorism financing includes the financing of terrorist acts, and of terrorists and terrorist organisations. The financing of terrorism may include the provision of any kind of asset in any form, including but not limited to, bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts, and letters of credit.

Why has a new legislation been introduced?

Australia has implemented new laws to improve Australia's existing anti-money laundering and counter-terrorism financing system. These new laws meet higher international standards to protect Australian businesses from being used for money laundering and terrorism financing. The new laws will make it harder for criminals to use the profits of crime and terrorists to receive money to carry out terrorist acts.

What is a discrepancy?

A discrepancy is something that does not match another document. For example, the name on a driver's license is Anne Tarro, but on the pension card it is Anne Maltarro. In this situation, branch staff would request the customer to have this fixed before being able to sign their contract if approved. If this can not be fixed then the customer will need to provide a statutory declaration to link the two names to the one person. If the customer can not get a statutory declaration signed by a JP then it will be logged on the ID discrepancy form as it is not fixed. If the application is declined then we will not see this being fixed and it will be logged on the Tru Blu ID Discrepancy form by your manager.

What is the NEW procedure?

1. **Collection of Identification:** Collect the sufficient id as listed on the AML/CTF–Know Your Customer Checklist. There must be one primary photographic document + medicare card at a minimum. (*If customer cannot provide a primary photographic document then 1 id from category A, 1 id from category B, medicare card & a photo at the branch must be taken*). The requirement is to be able to verify name, address, date of birth & medicare number from the identification provided. If the customer does not have enough forms of id with them to complete the checklist then we do allow any one id that has the ★ symbol next to it, to be sufficient to *start* the application process. All required forms of id must be provided before a final decision is made/contract can be signed.
2. **Verification of Identification:** Verify all the identification by writing what id you verified it on. If the verification is correct and no discrepancies are found, then we continue with the application process. If there is a discrepancy on one or more id then staff need to inform their manager so they can complete the *ID Discrepancies* form and follow the below procedure. Examples of discrepancies are; the photo id not being the same person who is applying, the signatures on the bank card and pension card not matching, or surnames are different on the drivers licence and medicare card.
3. **Responding to Discrepancies:** When a discrepancy is found on any of the id's that has been provided, we must report this correctly to the government. Once branch staff has found the discrepancy, they are to request the customer to change this information to be correct - if this change is not possible then this needs to be recorded on the ID Discrepancies form. If the customer says they can fix the discrepancy then they will request it be changed before signing of the contract. If changed then this will not be recorded. If the customer is declined then this will be recorded as we will have no proof of the change requested being actioned. If there is a discrepancy found that has not been corrected, then the AML/CTF–Know Your Customer Checklist will need to be emailed to your manager for them to add the discrepancy on the ID discrepancies form which is saved on the company intranet. The *Compliance Officer* will then complete the online compliance form quarterly with AUSTRAC for the government to deal with correctly. A new ID Discrepancies form will be uploaded on the intranet quarterly.

It is very important that as a company we complete all the documentation correctly and report any issues, immediately to your direct manager following the correct procedure. It is our responsibility as part of the Tru Blu Team to follow this legislation accordingly and for those who fail to do so this will be picked up through monthly branch audits and dealt with accordingly.

What else must you know?

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- Any suspicious activity must be reported directly to your manager.
- If you suspect the following activities or anything similar you are **not to alert the customer** to your suspicions;
 - Suspected fraudulent documents
 - Suspected criminal activity

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