

Responding to discrepancies

- 4.2.9 An AML/CTF program must include appropriate risk-based systems and controls for the reporting entity to respond to any discrepancy that arises in the course of verifying KYC information collected about a customer so that the reporting entity can determine whether it is reasonably satisfied that the customer is the person that he or she claims to be.

Documentation-based safe harbour procedure where ML/TF risk is medium or lower

- 4.2.10 Paragraph 4.2.11 sets out one procedure for documentation-based verification which a reporting entity may include in an AML/CTF program to comply with its obligations under paragraphs 4.2.3 to 4.2.8, and 4.9.1 to 4.9.3 of these Rules where the relationship with the customer is of medium or lower ML/TF risk. Paragraph 4.2.11 does not preclude a reporting entity from meeting the requirements of paragraphs 4.2.3 to 4.2.8, and 4.9.1 to 4.9.3 of these Rules in another way where the relationship with the customer is of medium or lower ML/TF risk.

- 4.2.11 An AML/CTF program that requires the reporting entity to do the following will be taken to meet the requirements of paragraphs 4.2.3 to 4.2.8 and 4.9.2 to 4.9.3 of these Rules in respect of a customer, where a reporting entity determines that the relationship with that customer is of medium or lower risk:

- (1) collect the KYC information described in paragraph 4.2.3 or 4.2.4 (as the case may be);
- (2) verify the customer's name and either the customer's residential address or date of birth, or both, from:
 - (a) an original or certified copy of a primary photographic identification document; or
 - (b) both:
 - (i) an original or certified copy of a primary non-photographic identification document; and
 - (ii) an original or certified copy of a secondary identification document; and
- (3) verify that any document produced about the customer has not expired (other than in the case of a passport issued by the Commonwealth that expired within the preceding two years).