

## Advisers

### Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Frequently Asked Questions

#### 1 What is the AML/CTF legislation?

The Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act is aimed at detecting and preventing money laundering in Australia and the threat to national security caused by the financing of terrorism.

The legislation has been designed to bring the Australian Financial Services Industry into line with international best practice in detecting and deterring money laundering and the financing of terrorism.

#### 2 Where can I find out more information?

The Australian Transaction Reports and Analysis Centre (AUSTRAC) is the regulator of the legislation. You can visit their website at [www.austrac.gov.au](http://www.austrac.gov.au) to get more information.

#### 3 Does the AML/CTF legislation apply to me?

As you provide 'designated services' to your clients, the AML/CTF provisions apply to you.

You will be bound by a set of key obligations to identify and verify that your client is who they say they are. This customer identification process is commonly referred to as 'Know Your Customer' (KYC) and requires you to:

- a. Ensure that your clients are properly identified through documented processes
- b. Verify the identity of your clients using reliable and independent documentation.

These KYC provisions apply equally whether your client is an individual, a company, trust, partnership or some other entity type. However, the identification requirements will vary between entity types. This is similar to the existing process for identifying and verifying customers when they open their first bank account, which you and your clients will already be familiar with.

## 4 What do I need to do now?

Product providers like Pental are entitled to rely on the KYC identification process conducted by financial advisers, in relation to applications by new clients. We will, therefore, rely on the customer identification procedure carried out by you in respect of Pental clients, for the purposes of AML/CTF.

We recommend that you familiarise yourself with the FSC/FPA Industry Guidance (FSC Guidance Note No. 24 19 May 2017) ([www.fsc.org.au](http://www.fsc.org.au)) for the identification and verification of customers to ensure that you conduct the KYC identification process in accordance with the requirements of the AML/CTF legislation.

## 5 What are the requirements I need to follow when dealing with Pental clients?

You will be required to identify a new Pental client by completing the relevant Pental Customer Identification Form. The Pental Customer Identification Forms are available on our website at [pentalgroup.com](http://pentalgroup.com).

With regards to the verification of clients, Advisers have two choices:

- a. You can either complete the 'record of verification procedure' section in the relevant Customer Identification Form and send this to Pental along with the client's Application Form; or
- b. Send us copies of the client's customer identification documents together with the client's Customer Identification Form and Application Form.

## 6 What changes have been made to our process for new applications by EFT or direct credit?

New clients can deposit their application money into our nominated bank account.

The effective date of the application will be the date we receive the payment and correctly completed forms. The usual rules around fund cut-off times apply.

## 7 How can I check whether an existing Pental client will need to complete the identification process?

As a general rule, you should submit a Pental Customer Identification Form each time you send in a new client Application Form to avoid delays and confusion. However, there may be exceptional cases where an existing client to Pental may not need to complete the identification process.

To determine this please consider the following points:

- a. Was the client a Pental customer prior to 23 February 2009?
- b. Is the client applying for a new investment in the same name as their existing investment?
- c. Is the client applying under the same entity type i.e. trust/individual/sole trader/company)?

If the answer to any of the above questions is 'No', then the client must complete the relevant customer identification documentation.

## 8 I have already completed a Customer Identification Form with other product providers for my client. Can I submit a copy of this form to Pandal?

No, you must complete the Pandal Customer Identification Forms available from the Pandal website.

## 9 Can I complete an old Pandal Application Form which is dated prior to 7 May 2018?

No, the AML changes have been reflected in our Application Forms and Customer Identification Forms. You can obtain the Application and Customer Identification Forms from [pandalgroup.com](http://pandalgroup.com).

## 10 Can I certify my client's copies of their identification documents?

You may certify copies of identification documents for your client if you are an officer with, or an authorised representative of, a holder of an Australian financial services licence having two or more continuous years of service with one or more licensees.

If you require more information please contact us.



### CLIENT SERVICES ENQUIRIES

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[PANDALGROUP.COM](http://PANDALGROUP.COM)

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