

MODERNISING BUSINESS REGISTERS PROGRAM

AUGUST 2018

ANZ SUBMISSION

1. ANZ welcomes the opportunity to comment on the Modernising Business Registers Program (**Consultation Paper**).
2. Our comments are focused on the introduction of Director Identification Numbers (**DIN**).

Director Identification Numbers

3. We support the introduction of an identity verification process for all DIN holders to be undertaken at the time a DIN is registered.
4. In our view, the identity verification undertaken ought to be sufficient to meet the Know Your Customer (**KYC**) requirements under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and the AML/CTF Rules (**AML/CTF Act and Rules**).
5. In turn, reporting entities ought to be able to rely on the business information in the relevant register as “reliable and independent” under the AML regime when meeting their own KYC obligations on the basis that it is “maintained by a government body pursuant to legislation”¹.
6. In order to ensure the ongoing reliability of the register, we support an obligation on businesses and individual directors to keep the information in the register up to date. This will increase compliance and enhance the reliability of the data.
7. We support the use of a digital system, such as Australia Post Digital ID, to verify a Director’s identities. As it develops, the Australian Governments Trusted Digital Identity Framework could be utilised for identity verification purposes.
8. The consent of the individual ought to be obtained as part of the identity verification process. If an authorised agent is permitted to apply on behalf of their client, we suggest that the individual concerned is still required to provide their consent directly.
9. ANZ considers that the treatment of the DIN in relation to the storage of this data by a reporting entity should be consistent with those applying to Australian Business Numbers (**ABNs**).
10. Under the *Privacy Act*, an individual’s ABN can be kept on bank documentation and retained on bank databases. In our view the DIN ought to be treated similarly. This will ensure that banks, and other institutions, are able to identify connections between individuals and businesses on an ongoing basis and not just at the point of conducting KYC checks.

Ends

¹ As per AML/CTF Rule 4.10.