

29 October 2024

Daniel Mossop  
National Manager, Policy, Rules & Guidance  
AUSTRAC

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

Dear Mr Mossop

**Consultation on draft updated guidance to assist customers who do not have standard identification**

COBA thanks AUSTRAC for the opportunity to provide feedback on this guidance consultation.

COBA represents Australia's customer owned banks (mutual banks and credit unions). Collectively, our sector has over \$170 billion in assets, around 10 per cent of the household deposit market and around five million customers. Customer owned banking institutions account for around two-thirds of the total number of domestic Authorised Deposit-taking Institutions (ADIs).

COBA supports the proposed changes with our members able to use guidance in the following ways:

- Assisting in making appropriate provision for no identification situations in their AML/CTF programs.
- Allocating appropriate risk ratings at onboarding and on an ongoing basis to manage this issue.
- Assisting in considering an individual customer's circumstances during Enhanced Customer Due Diligence (ECDD).

We have identified the following potential challenges for our members in applying a flexible approach to identify customers without standard identification:

- Verifying alternative identification documents, which may add delays and prompt further questions, for example, what if the institution is unable to verify the document.
- The appropriate approach during a Know Your Customer refresh as part of ECDD.
- The appropriate approach for a recently expired identification document, including how to define 'recent'.

Regarding further improvements to the guidance, COBA suggests that AUSTRAC consider including typologies on how this provision could be misused by fraudsters. We also seek clarification on whether AUSTRAC will consider a transitional arrangement from the current guidance to the updated guidance.

We thank AUSTRAC for taking our views into account. Please do not hesitate to contact Robert Thomas, Policy Manager ([rthomas@coba.asn.au](mailto:rthomas@coba.asn.au)) if you have any questions about our submission.

Yours sincerely



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