

## Anti-Money Laundering and Counter-Terrorism Financing Program for Schroder Investment Management Australia Limited

As you may be aware the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 brought into effect new customer due diligence obligations. This legislation dictates that as a designated service provider Schroder Investment Management Australia Limited (SIMAL) must identify each investor and retain supporting documents as evidence of the same.

### **Objective of the Act:**

The anti-money laundering and counter-terrorism financing (AML/CTF) reforms are aimed at addressing the risk of money laundering in Australia and the threat to national security caused by the financing of terrorism.

The reforms seek to implement Australia's international obligations including a commitment to bring our AML/CTF regime in line with the international standards as set out by the Financial Action Task Force on Money Laundering (FATF).

The following link is to the Australian Government, Attorney-General's Department website which explains in more detail the scope and requirements of the change in legislation: <http://www.ag.gov.au/CrimeAndCorruption/AntiLaunderingCounterTerrorismFinancing/Pages/default.aspx>

### **SIMAL's Policy**

SIMAL's policy is to create an environment that makes SIMAL unattractive for money laundering and terrorism financing. Key elements of this policy include record keeping and enhanced customer identification as part of the application process.

To assist you in the completion of the application form and preparation of required documentation we have collated the following information.

### **Financial Planners and Advisers**

The following link is to the Financial Services Council (FSC) website guidance notes which have been jointly developed by the FSC and the FPA to standardise and streamline the application of the legislative requirements applying to both financial planners and product issuers under the AML/CTF regime:

Refer to Guidance Note 24 FSC/FPA Guidance on managing mutual obligations under Chapter 7 of the AML/CTF Rules at <http://www.fsc.org.au/standards-guidance/financial-services-council-guidance-notes.aspx>

At this stage, there are two options available as outlined in the AML/CTF Act and Rules and the joint FSC/FPA Guidance Note with regards to the obligations between fund managers and financial planners:

1. Entering into an agency agreement with SIMAL to enable the adviser to undertake the identification and document retention on SIMAL's behalf. Therefore the adviser will not have to supply additional certified information with each new application. However, we would require detailed initial and ongoing due diligence before signing the agreement,

including receipt of documentation on identification procedures and record keeping procedures in regards to the AML/CTF program or,

2. The adviser supplies certified identification material with each new application.

Unless an agency agreement has been negotiated, at this stage SIMAL is looking for our advisers to supply the certified identification material with each new application as per option 1.

## Legal obligations

In order to comply with the AML/CTF Act 2006 we require verification of the identity and source of funds from all prospective investors, including any nominated representative, before we are allowed under law to issue units in any of our trusts. In the event of a delay or failure by the prospective investor to produce any information required for verification purposes, SIMAL will not accept the application and any funds will be returned without interest.

## Certified documents

You will note that all documentation must either be an original, a certified copy or a certified extract.

**Certified copy** means a document that has been certified as a true copy of an original document by one of the following persons:

1. an officer with, or authorised representative of, a holder of an Australian financial services licence, for example a Financial Planner, having 2 or more continuous years of service with one or more licensees;
2. a Justice of the Peace;
3. a police officer;
4. a permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
5. a person who is enrolled on the roll of the Supreme Court of a State or Territory, or a High Court of Australia, as a legal practitioner (however described);
6. a notary public (for the purposes of the *Statutory Declaration Regulations 1993*);
7. an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
8. an Australian consular officer or an Australian diplomatic officer (within the meaning of the *Consular Fees Act 1955*);
9. a judge of a court;
10. a magistrate;
11. a chief executive officer of a Commonwealth court;
12. a registrar or deputy registrar of a court;
13. an officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the *Statutory Declaration Regulations 1993*);
14. a finance company officer with 2 or more continuous years of service with one or more financial companies (for the purposes of the *Statutory Declaration Regulations 1993*);
15. a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous relationship;
16. a person authorised as a notary public in a foreign country.

The certifier should sign the copy document (printing his/her name clearly underneath) and clearly indicate his/her position or capacity on it together with a contact address and phone number. The certifier must indicate that the document is a true copy of the original and that the photo is a true likeness of the person.

## Definition of Investor Type

Relevant to Section 1 of the Application form and the Application checklist.

### Companies

**Australian company** means a company (other than a foreign company) that is registered by ASIC under the Corporations Act 2001.

**Australian financial market** means a financial market operated by:

- (a) Australia Pacific Exchange Limited;
- (b) Australian Securities Exchange Limited;
- (c) Bendigo Stock Exchange Limited;
- (d) Stock Exchange of Newcastle Limited; or
- (e) any other prescribed financial markets for the purposes of section 9 of the Corporations Act 2001 (Cth), as amended or replaced from time to time.

**Australian listed company** means an Australian company that is a public company included in the official list of an Australian financial market.

**Foreign company** means a company that is incorporated in a country other than Australia and its Territories.

**Listed company** means:

- (a) an Australian listed company;
- (b) a foreign company registered with ASIC that is a company included in the official list of an Australian financial market; or

**Public company** includes any foreign company that is a listed company and not a private company.

**Regulated company** means a company (whether Australian or foreign) that is licensed and subject to the regulatory oversight of a Commonwealth, State or Territory statutory regulator in relation to its activities as a company, including a company that:

- (a) has an Australian financial services licence;
- (b) is regulated by the Australian Prudential Regulation Authority

### Trusts and Trustees

**Registered scheme** means a trust that is a managed investment scheme registered by ASIC.

**Regulated trust** means a trust that is:

- (a) a self-managed superannuation fund within the meaning of section 19 of the Superannuation Industry (Supervision) Act 1993 (Cth): the relevant regulator is the Australian Taxation Office;
- (b) a regulated superannuation fund, an approved deposit fund, a pooled superannuation trust, or a public sector superannuation scheme, within the meaning of

the Superannuation Industry (Supervision) Act 1993 (Cth), including small APRA-regulated funds: the relevant regulator is the Australian Prudential Regulation Authority; or  
(c) any other trust that the [planner and issuer] agree is a trust that is registered and subject to regulatory oversight of a Commonwealth statutory regulator in relation to its activities as a trust.

**Government superannuation fund** means a government superannuation fund established by legislation.

**Wholesale trust** means a managed investment scheme not registered by ASIC that only has wholesale clients (as defined by the Corporations Act 2001 (Cth)) and does not make small scale offerings to which section 1012E of the Corporations Act 2001 (Cth) applies.

## Alternative documentation

In the event that an individual investor cannot supply the primary photographic identification documents requested in the PDS you must supply a category B **AND** category C identification document detailed as follows:

### Primary Non-Photographic ID (Category B)

- Birth certificate
- Citizen certificate
- Concession card

### Secondary Identification Document (Category C)

- Notice issued by the Commonwealth, State or Territory within prior 12 months and contains name and residential address and records the provision of financial benefits.
- Notice issued by the ATO within the prior 12 months and shows name and residential address and records a debt.
- Notice issued by a local government body or utilities provider within prior 3 months which contains the name and residential address and the provision of services.
- For someone aged under 18 a notice that:
  1. Was issued by a school principal within prior 3 months;
  2. Contains the name and residential address; and
  3. Records the time attended at the school.

Should you require any further information or assistance in completing the application form and preparing the supporting documents please contact our Client Services Team on 1300 136 471 or via email [Simal@schroders.com](mailto:Simal@schroders.com)