

## Compliance requirements for merchant account applications

The compliance requirements for a merchant account application with DIFX, like other Australian payment processors, must align with AUSTRAC's Counterterrorism and Anti-Money Laundering (AML) regulations. This includes our obligation to complete Know Your Customer (KYC) checks and verify all Beneficial Owners for all applications.

To meet these requirements DIFX Pty Ltd ("DIFX") must request you to provide information to verify the identity of Beneficial Owners of your company. You can provide this electronically or provide certified copies of identification for these individuals.

Following is a summary of the compliance requirements for an application.

- **ID verification:** This should include all owners, major shareholders or senior officials of the business
- **A bank statement** in the name of the business/entity
- **A copy of the Trust Deed** if the applying entity is a trust
- **The last meeting minutes** if the applying entity is an association
- **Payment and business terms and conditions** especially if accepting certain types of payments.
- **Authorisation to proceed:** A signed authorisation by an officer or authorised representative of the applying entity.

Depending on the entity type, DIFX may request further documentation to verify the Beneficial Owners.

### ID verification

Proof of identification can be completed by providing a certified copy of the relevant documents.

## Who needs to have their ID verified?

ID requirements differ by business type. Please refer to the below business types to find out who needs to provide ID verification for your application.

### **Sole traders**

The owner of the business

### **Company (Pty Ltd)**

Any individual holding 25% or more shares ownership of the company, either directly, or through a parent entity.

If there are no majority shareholders, then the most senior managing director

### **Trust**

If the trustees are individuals: the most senior managing official of the trustees.

If the trustee is a company: the most senior managing director

We require a copy of the Trust Deed to verify the details of the trustees.

### **Government (including councils)**

No ID verification is required for individuals from a government-owned entity. Confirmation may be needed that the signing individual has authority to sign the agreement on behalf of the entity (usually through a Council delegation register).

### **Partnerships**

If the partnership is between two entities, the most senior managing official of at least one partner entity.

If the partnership is between individuals, one partner.

The single most senior managing official of the three officers listed below, most often the chair.

- Chair
- Secretary
- Treasurer

### **What forms of identification are accepted?**

If not completing ID Verification Electronically, a certified copy of one of the following should be supplied with each application:

- Current Australian passport
- Current Australian driver's licence
- Current overseas passport

### **What is a certified ID?**

A certified ID is a copy of a document that is verified as a true copy of the original and is typically completed by an authorised person such as a Justice of the Peace.

Each certified document copy must be certified separately, and must clearly show:

- The words "certified true copy of the original"
- The date of the certification
- The signature of the certifying officer, and
- The name, provider/registration number (if applicable) and profession of the certifying officer, legibly printed below the signature

### **Who can certify my ID documents?**

- Justice of the Peace or Commissioner for Declarations
- A legal practitioner, registrar, clerk, sheriff, bailiff, judge, magistrate or master of a federal, state or territory court
- A notary public
- Police officer
- A manager of a post office
- Australian consular officer or an Australian diplomatic officer

- An officer with two or more continuous years of service with one or more financial institutions or companies
- An officer with, or authorised representative of, a holder of an Australian financial services licence, with two or more continuous years of service with one or more licensees
- A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of continuous membership
- Any of the following occupations:
  - A registered or licensed dentist, medical practitioner, pharmacist or veterinary surgeon
  - A registered nurse or midwife
  - A registered chiropractor, optometrist, occupational therapist, or physiotherapist
  - A licensed architect

### Who can't certify my documents?

- Your spouse or partner
- A person related to you or living at the same address as you
- A person involved in the transaction or business requiring this certification. (For example, you can't use the same solicitor to certify your ID & proof of address documents as you used to set up a trust or register a mortgage. Another solicitor at the firm could certify your ID)

### Bank document requirements

Under AUSTRAC regulations, we have an obligation to ensure funds are settled to the applying entity. To allow us to confirm the business bank account details, we need to see an official bank document to confirm the details of the account. This can be either:

- A bank statement *or*
- A letter from your bank *or*
- Screenshot of an official bank document that shows:

\*Please note that we're unable to accept screenshots of internet banking screens.

## **What needs to be on the bank document?**

The document provided must confirm the following:

- Account name must match your applying legal entity name or a business name registered against the ABN
- Bank name
- Full BSB
- Account number

We're unable to accept screenshots from internet banking screens. We can accept screenshots of an official bank document.

## **Special types of payments**

### **Invoices payments**

If your business processes payments via invoices, we'll need a Letter of Engagement or Terms and Conditions that shows:

- Delivery details
- Refund policy
- Privacy policy
- ABN
- Description of products/service, including price

### **Event payments**

If you plan to take payments for events, we'll need to see a link to the event website, or if you have no website, marketing material to confirm the event and pricing.

## Authorisation to proceed

An authorised signatory is required to sign the CSA (client service agreement) on behalf of the business/entity. Select your business type to see who signs on behalf of your business:

### **Sole trader**

Owner of the business

### **Company (Pty Ltd)**

One company director

### **Trust**

One trustee, or most senior person from a trustee company

### **Government (including councils)**

One executive/board member, or formally authorised employee

### **Partnerships**

One partner

### **Incorporated association**

One of the three officers listed below.

- Chair
- Secretary
- Treasurer

If another person signs the agreement and they do not wish to have the CSA re-signed, a letter of authority from an authorised signatory (or signatories), granting permission to the individual to sign the CSA.