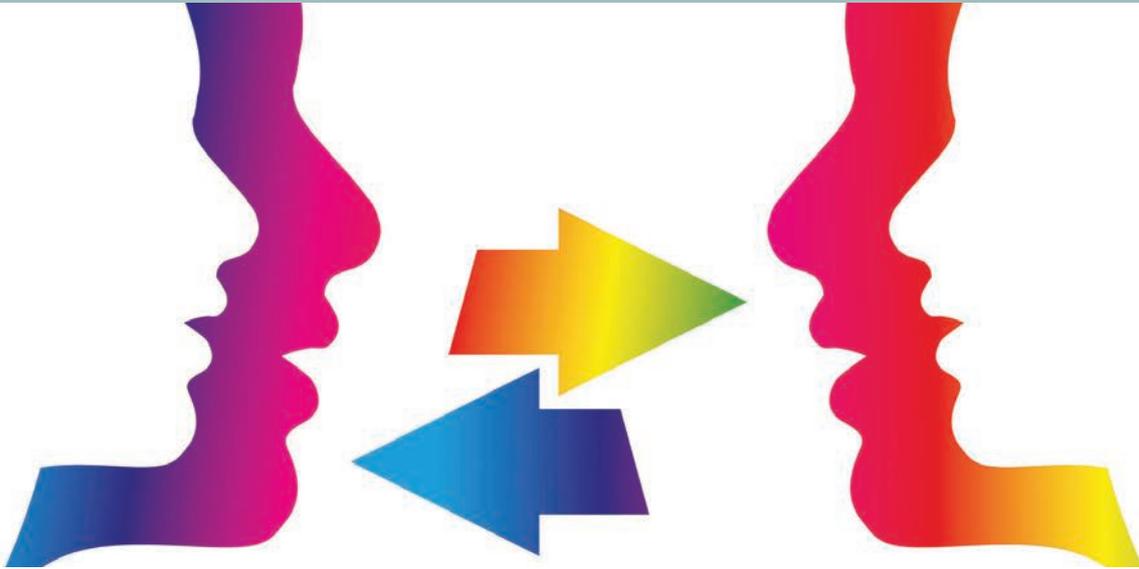


Banking and finance update

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E-conveyancing – verification of identity changes – what a relief

Version 3 of the Model Participation Rules (**MPR**) removes the nexus between verifying identity and witnessing transaction signatures

Lenders and those involved in the finance industry will be greatly relieved by the Australian Registrars' National Electronic Conveyancing Council (ARNECC) release of Version 3 of the MPR for electronic conveyancing.

We alerted readers to the review in our article published 25 March 2015 entitled "Proposed Changes to Verification of Identity Requirements – Will Lenders ever find "Safe Harbour"?"

The matter that was of great concern to us in March was the proposal to amend the MPR for electronic conveyancing to require the person verifying the identity of a party to a conveyancing transaction to also witness that person's signature on the transaction documents.

For lenders that would have created a massive disruption to current procedures. Lenders generally verify the identity of the customer at an early date and only later require the customer to sign transaction documents, in particular the mortgage.

Fortunately the final of Version 3 of the MPR removes the nexus between verifying identity and signing transaction documents.

[Click here](#) to view Version 3 of the MPR. Any reference to witnessing signatures has now been removed from the relevant provision in Schedule 8 to the MPR:

2 FACE-TO-FACE REGIME

2.1 The verification of identity must be conducted during a face-to-face in-person interview between the Identity Verifier and the Person Being Identified.

2.2 Where Documents containing photographs are produced by the Person Being Identified, the Identity Verifier must be satisfied that the Person Being Identified is a reasonable likeness (for example the shape of his or her mouth, nose, eyes and the position of his or her cheek bones) to the Person depicted in those photographs.

Another change made by ARNECC is to allow Australian passports that have expired within the past two years to be acceptable as a form of identification, along with foreign passports without evidence of an Australian resident visa.

But debate is not over yet. Attention will now focus on bringing the various states and territories into line to make sure they adopt verification of identity standards consistent with the MPR.

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