

ARNECC's proposed changes on Model Participation Rules Version 6 and what this means for you.

The Australian Registrars National Electronic Conveyancing Council (ARNECC) has released **Model Participation Rules (MPR) – Consultation Draft Version 6** for public consultation.

If passed unamended, the proposed changes within the MPR will have a significant impact on Verification of Identity (VOI) requirements, making them more stringent whilst also expanding who these requirements are applicable to.

View proposed changes by ARNECC

To assist you in understanding the key proposed changes, we have prepared a brief summary.

When the VOI Standard must be applied:

- The proposed changes state that the VOI Standard must be applied (Section 6.5.2). If you do not apply the Standard, supporting evidence must be retained as to why it could not be applied.
- It will no longer be acceptable to only apply 'reasonable steps' or default to that option.

Note: This is a fundamental shift away from rules in MPR Version 5.

The current rules in MPR Version 5 states that the Subscriber, or a mortgagee represented by the Subscriber, can choose to either apply the Standard, or verify the identity of a person in some other way that constitutes the taking of 'reasonable steps'.

The same flexibility to choose either option for each individual case will no longer exist. **Meeting the requirements of the Standard will be mandatory.**

Additional requirements for who needs to be VOI'd

- Users of Electronic Lodgment Network (ELN) such as staff who are given access to ELN require a VOI prior to the User being given access (Section 6.5.1f)
- Mortgagors when dealing with a lodgment, amendment, variation, or transfer of a mortgage require a VOI (Section 6.5.1.b). This extends to Banks who will also need to apply the Standard as per MPR. They too can no longer apply a process they can consider to be reasonable (including VOI every two years)

Termination event

- When operating in PEXA, it will be a requirement to certify that you have met the VOI Standard. If you do not meet the Standard by undertaking the VOI correctly, this could result in a termination event (Section 2 of Schedule 7).
- Those with a termination event, cannot satisfy the character requirements set out in Section 4.3.

Other considerations:

- ELN Users must receive cyber security awareness training (7.2.1.b), not have been part of an insolvency event (7.2.3.b) and a police check every 3 years (7.2.3.c)
- Note: A Legal practitioner or Licensed Conveyancer does not need a Police Check, VOI or Cyber security training as their registration requirements cover this.
- The Standard relies on government issued documents and focuses on a face-to-face identification which does not include video technology. **It is important to note that video technology is not considered a face-to-face meeting and does not meet the VOI Standard compliance.**

Submit your feedback on MPR Version 6

ARNECC strongly encourages practitioners and industry stakeholders to review and give feedback on MPR Version 6 with a written submission. Simply email your submissions to chair@arnecc.gov.au by close of business Monday, 2 March 2020.



IDSecure can help your firm reach compliance

IDSecure has a compliant VOI solution, the IDSecure App, which is free to download and caters for these proposed changes. We've developed the App so you have peace of mind on whether you meet the requirements of the Standard or not.

As VOI industry leaders, we've been active in attending industry-wide consultation workshops across Australia and are well equipped to assist you on understanding the rules, risks and best VOI practices to apply to your firm.

Need further clarification or assistance?

If you have any questions about the proposed MPR changes, please contact our specialist VOI team on **1300 787 107** or email voi@globalx.com.au.