

FAQ - KEEPING COPIES OF ID

The OAIC has announced that from 31 March 2026, you should no longer keep copies of full identification documents (such as driver's licenses or passports).

Why is this change being enforced?

The change is driven by Privacy Act requirements and OAIC guidance on data minimisation:

- Verify identity → record required details → do not retain ID copies unless genuinely necessary → destroy when no longer needed.
- Holding copies of identification documents is high-risk personal information and should be avoided wherever possible.

Keeping ID longer than permitted increases privacy and data breach risk and can result in significant penalties.

Does this apply to ID collected before 31 March 2026?

No. Copies of ID collected before 31 March 2026 do not need to be deleted.

Prior to 31 March 2026, the AML/CTF Act authorised scanned copies or photocopies of identity documents to be kept. Copies of identification documents made prior to 31 March 2026 are records for the purposes of AML/CTF Act that must be kept for 7 years following the end of the business relationship or 7 years after the date of the last occasional transaction.

Do I need to update ID when a client's licence expires?

No. You should not re-collect ID just because it has expired.

How do I verify client identification now?

Identity verification is still required. What has changed is how ID is handled and retained.

From 31 March 2026, you should only collect copies of identification documents where it is reasonably necessary, such as where you cannot sight the original document.

If you need to collect copies of documents you must take steps to collect the information securely, such as using secure client portals.

When you sight the identification documents, you record information required on the FSC ID form, such as:

- Customer name
- Date of birth
- Residential address
- Document type (e.g. passport, driver licence)
- Document number and expiry date

You must then destroy physical copies and redact or delete electronic copies including from the secure portals.

Do I need to take a copy of the ID?

No, not if it is not necessary. If you see the client face-to-face or via video, you can sight the ID and record the details only (e.g. name, DOB, document number, expiry date) on the FSC ID form or application form, without taking a copy.

You must record the relevant identification details on the FSC ID Verification Form.

The completed FSC ID form is kept on file, not the ID document itself.

When am I allowed to take a copy of ID?

You may take a copy only where it is reasonably necessary, for example:

- To provide the ID to a product provider
- Where the client is not seen face-to-face
- For authorities, rollovers, withdrawals, TPAs or platform requirements

Once the copy has been used for that purpose, it must be destroyed, deleted or redacted from all systems.

Can I keep the ID in Xplan, Compass, CWT, SharePoint, My Prosperity or another secure portal?

No. Even if the system is secure, you cannot keep copies of ID once they are no longer needed for the purpose they were collected for. Copies must be removed or redacted from all systems, including portals and document management systems.

What if a product provider requires a certified copy of ID?

You may:

- Collect the ID
- Send it to the product provider
- Delete or redact the copy from your systems once sent

Product providers are subject to the same Privacy Act obligations and may need to review whether they genuinely need copies going forward.

How long can I retain a copy of ID?

The OAIC does not set fixed retention periods for copies of ID. Instead, it applies a purpose test:

- ID may only be retained for as long as it is reasonably necessary for the purpose for which it was collected.
- Once that purpose is satisfied, the ID must be destroyed or de-identified, unless another law requires retention.

‘Just in case’ retention is not permitted and you must justify why a copy is still needed. You should avoid fixed time periods and blanket permissions to retain while the client is an ongoing advice client.

When is it reasonable to retain ID?

A copy of identification may be retained only while it is reasonably necessary for the specific purpose for which it was collected and must be destroyed or de-identified once that purpose has been satisfied.

Reasons for retention must be purpose-based, short-term and justified, and clearly ends when the task ends. You should not keep a copy of ID for convenience.

✔ **Example 1: Retention during a defined implementation phase**

You retain ID for a short period where multiple linked onboarding or implementation steps require access to the same ID (e.g. obtaining a third-party authority to collect information as part of the advice preparation, followed by implementation of the advice). The ID is destroyed once implementation is complete.

OAIC guidance allows retention only while the purpose is ongoing. Onboarding of the client may be treated as a single, continuous purpose.

✔ **Example 2: Limited retention for recurring, defined purposes (with caution)**

You retain ID for a clearly defined recurring process (e.g. a periodic third-party authority to obtain information), where retaining the ID remains reasonably necessary and the need is reviewed.

OAIC guidance allows retention only where the purpose continues to exist. It does not allow indefinite retention or retention for convenience. You must be able to justify ongoing necessity, not speculation.

Where you require a new third-party authority periodically, if a copy of ID could reasonably be obtained from the client when they give their consent, you should not keep ID on file.

If you have any questions, please contact professionalstandards@cpal.com.au