

## **Extract from AVAA Constitution Re Audit of Trust Accounts**

11.2 Where a member (either as a disclosed or an undisclosed principal) conducts a sale by auction and in the course of acting as an auctioneer in that sale, receives money on behalf of a person, then that member must:

- (a) pay the money (before the end of the next business day) into a general trust account into an Australian Bank account; or
- (b) if directed to do so by the person on whose behalf the money is received, to deliver the money to a third party, then deliver that money as directed (before the end of the next business day or as soon as practicably possible thereafter); or
- (c) if directed to do so by the person on whose behalf the money is received, to hold that money (either directly or indirectly) within the members control, then hold that money as directed and write to that person and confirm the full details of the transaction no later than the end of the next business day.

11.3 Rule 11.2 does not prevent a member from:

- (a) being reimbursed out of trust moneys for out-of-pocket expenses paid by the member or such expenses incurred by the member provided that the member is acting on the instructions of the person on whose behalf the money is held;
- (b) enforcing a lien or claim that a member has to any money;
- (c) exercising a general lien on unpaid moneys or expenses with respect to moneys in a trust account (other than moneys received subject to an express direction by the person on whose behalf it is held);
- (d) holding or disposing of a cheque or other negotiable instrument payable by a third party if the member does so on behalf of a client and in accordance with the client's direction; and
- (e) acting under authority as a member under this Rule.

11.4 The Board may require from time to time (but no more than once a year) a certificate in such form as the Board prescribes, from a member or prospective member that they have satisfied the requirements set out in this Rule.

11.5 Where there is a duty on a member to maintain a trust account, subject to Rule 11.6 that member must provide the Board with a certificate from a registered company auditor within the meaning of the Corporations Law to the satisfaction of the Board.

The AVAA Constitution is available in its entirety on the AVAA website [www.avaa.com.au](http://www.avaa.com.au)