



AML/CTF Reforms

Lawyers,
Accountants and
Trust and Company
Service Providers
(Professional Service
Providers)

From 1 July 2026, anti-money laundering and counter-terrorism financing (AML/CTF) obligations will apply to certain services typically provided by lawyers, accountants, trust and company service providers, and other professions known as 'Tranche 2 entities'.

It is important to commence preparing for the changes now to ensure you are ready to comply with the new obligations.

Does your business offer any of these services?

- Planning or facilitating transactions to buy, sell or transfer a legal arrangement, body corporate or real estate.
- Managing client money, accounts, securities or securities accounts, virtual assets or other property to facilitate a transaction.
- Organising or assisting in the execution of equity or debt financing transactions.
- Creating, managing or restructuring companies, trusts or other legal entities for clients, including selling/transferring a shelf company.
- Providing a registered office or business address.
- Appointing another person or acting as a director, secretary, power of attorney, partner, trustee, nominee shareholder or similar role for a client.

If so, check the AUSTRAC website to determine if you need to enrol as a reporting entity and seek professional advice if you're unsure.



AUSTRAC: The Australian Transaction Reports and Analysis Centre is Australia's financial intelligence unit and AML/CTF regulator.

Professional service providers are uniquely positioned to provide insights into suspicious behaviour that can assist law enforcement activities.

Criminals are known to seek out the involvement of professional service providers for specialist skills, advice, technical proficiency and knowledge that assists in their money laundering schemes.

Lawyers conduct a range of services that could benefit potential criminals including:

- operating trust and other accounts to deposit, hold and disburse client funds,
- facilitating business and asset transactions, including the purchase, sale, transfer of ownership and financing arrangements, and/or
- establishing and administering complex

domestic and offshore legal structures (including trusts and companies, the use of straw directors* and nominee shareholders).

Accountants can be exploited to facilitate money laundering schemes through:

- creating and using complex and multi-layered corporate structures to layer illicit funds,
- moving large volumes of funds rapidly through multiple company accounts,
- obscuring or falsifying the source of structured cash deposits, and/or
- obscuring parties to a transaction where trust accounts are used.

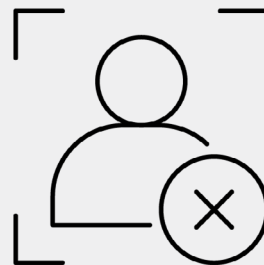
Source: AUSTRAC Money Laundering in Australia National Risk Assessment 2024

**A Straw or Dummy Director is the visible legal representative of a company, however acts on behalf of the actual owner and has no real involvement in the company so as to mask the effective owner/controller of the entity.*

Spot the red flags

Red flags are warning signs of potential money laundering or terrorism financing that may require investigation. Here are some examples:

- Limited face to face interaction
- Transactions without clear legal or commercial purpose
- Rapid change of advisors
- Clients seeking anonymity or reluctance to provide information
- Unexplained source of wealth



What do I need to do?

AUSTRAC expects that by 1 July 2026, you will:

- ☐ Be enrolled as a reporting entity
- ☐ Have an AML/CTF Program
- ☐ Have appointed an AML/CTF Compliance Officer
- ☐ Have trained your staff on your AML/CTF program and processes
- ☐ Be ready to undertake Customer Due Diligence on your clients
- ☐ Be ready to report suspicious matters

How can I start preparing for the changes?

1. Check the AUSTRAC website for the new industries and services to be regulated and the [geographical link requirement](#).
2. Review the guidance published by AUSTRAC about the [AML/CTF reforms](#) to understand your new obligations.
3. [Conduct a risk assessment](#) to identify potential money laundering, terrorism financing and proliferation financing risks.
4. Seek support from industry bodies.
5. Register to attend [AUSTRAC's education webinars](#) and [sign up to receive updates](#) about the reforms.

Scan the QR code below to access the AUSTRAC website on the AML/CTF Reforms:



Note: This document is intended to provide general guidance based on information from the Attorney General's Department, AUSTRAC, multiple rounds of industry consultation and other publicly available material. It does not constitute legal advice. The outlined changes are not yet in effect and may be subject to change pending the outcome of further consultation.

