



AML/CTF Reforms

Real Estate Professionals and Conveyancers

From 1 July 2026, anti-money laundering and counter-terrorism financing (AML/CTF) obligations will apply to certain services typically provided by real estate professionals, conveyancers and other professions known as ‘Tranche 2 entities’.

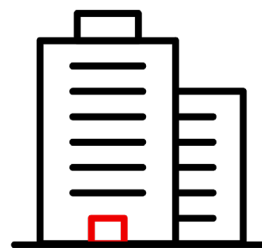
It is important to commence preparing for the changes now to ensure you are ready to comply with the new obligations.

Does your business offer any of these services?

- Brokering the sale, purchase or transfer of real estate for others (e.g. real estate agents or buyers' agents).
- Selling or transferring real estate without using an independent real estate agent (e.g. property developers).
- Planning or providing assistance to execute a transaction to buy, sell or transfer real estate for other people (e.g. conveyancers).



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.

The domestic real estate sector has been assessed by AUSTRAC as posing very high money laundering vulnerability.

Between 2020-21 and 2022-23, over \$55 million of residential real estate was forfeited following relevant court proceedings. Market stability, value appreciation, profit-generation, negative gearing benefits, housing and rental income functions of the sector make it a highly desirable destination for placing, layering and/or integrating the proceeds of crime.

Criminals can launder funds through real estate by:

- manipulating property values,
- reselling in quick succession at a higher price,
- using illicit funds to pay for improvements and renovations to increase house prices prior to selling,
- using rental payments to legitimise income, and/or
- using complex legal structures to purchase real estate and/or conceal property ownership.

Real estate professionals can provide unique insights to regulators and law enforcement agencies through their visibility of:

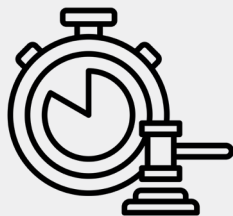
- deposits, purchases or rental amounts made by cash,
- any legal structures relating to the ownership or effective control of a property,
- indications that a purchaser may not be the true beneficial owner or in effective control of a property, and/or
- how the property has been or is being used (e.g. rental properties).

Source: AUSTRAC Money Laundering in Australia National Risk Assessment 2024

Spot the red flags

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

- Complex ownership structures
- Rapid resale of properties
- Unusual payment methods or source of funds
- Manipulation of property valuation or appraisal
- Clients selling for less than market value without a valid explanation
- Buyers paying well above or below the market value without valid explanation
- Sudden or unexplained change of ownership



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.

