



Australian Government



TAX
PRACTITIONERS
BOARD

AUSTRAC Anti-Money Laundering reforms – what tax practitioners need to know

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Welcome

'In the spirit of reconciliation, we respectfully acknowledge the Traditional Owners and Custodians of country throughout Australia and their connections to land, waters and community. We pay our respect to their cultures, and Elders past, present and future.'

Access the presentation slides: tpb.gov.au/webinar-resources-hub

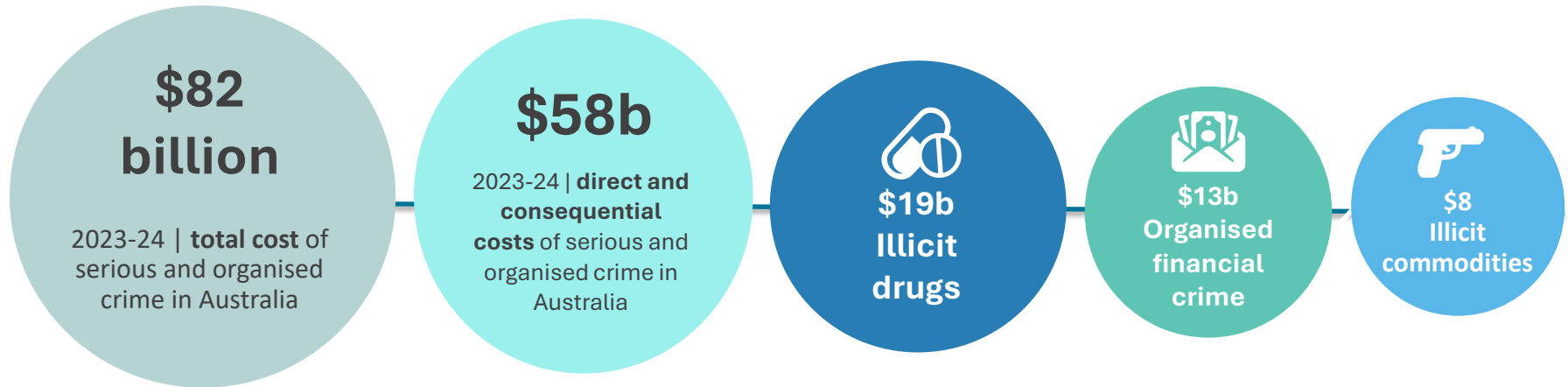
What we will cover today

- ✓ Overview of money laundering in Australia
- ✓ AUSTRAC's role
- ✓ Overview of AML/CTF reform and TPB requirements
- ✓ Impacts to the accounting sector
- ✓ How to prepare
- ✓ Program starter kits and core guidance
- ✓ Education products available



The money laundering environment in Australia

These estimates capture the **direct and consequential costs** of serious and organised crime in Australia, as well as the indirect costs of preventing and responding to serious and organised crime incurred by government entities, businesses and individuals.



Source: Cost of serious and organised crime report (Australian Institute of Criminology) in billions of AUS dollars

AUSTRAC's dual role – Regulator and Financial Intelligence Unit



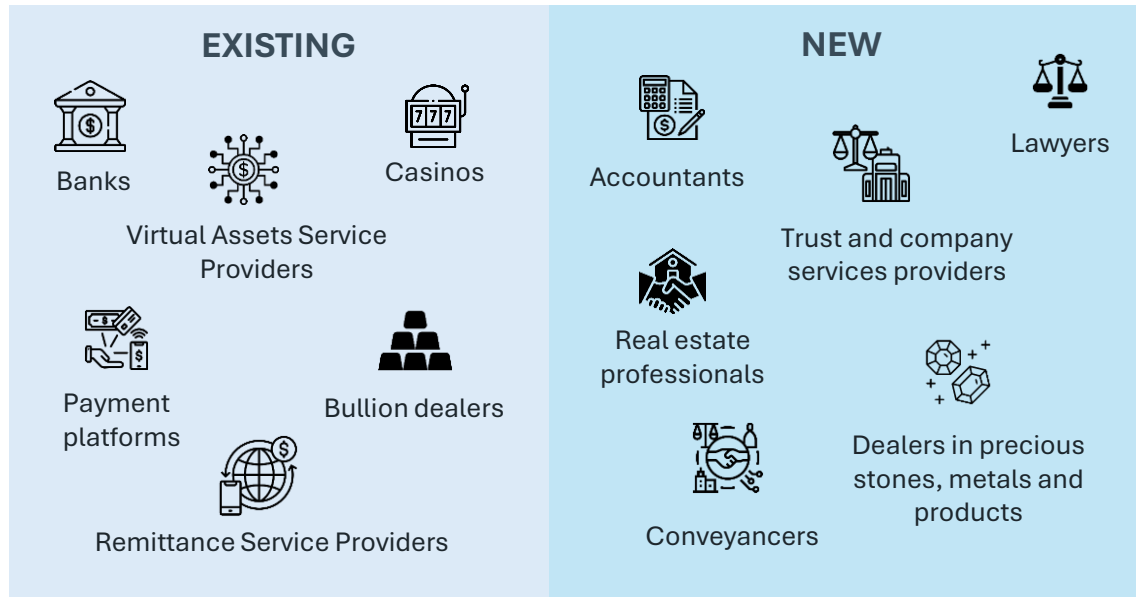
Regulator

| DISCOVER | UNDERSTAND | STRENGTHEN | DISRUPT |
|---|---|--|---|
| | | | |
| <p>Identify new and emerging risks posed by criminals who seek to exploit our financial system.</p> | <p>Develop and share a comprehensive understanding of vulnerabilities to criminal exploitation within our financial system.</p> | <p>Ensure risks within our financial system are mitigated with effective prevention and monitoring controls.</p> | <p>Collaborate with our partners to disrupt criminal abuse of the financial system.</p> |



Financial Intelligence Unit

What is changing?



Providing a designated service

From 1 July 2026, if a business provides a designated service with a geographical link to Australia, they will be a reporting entity and will be required to comply with the AML/CTF Act and Rules.

For the accounting sector, some designated services may include:

- assisting in the planning or execution of a transaction to sell, buy or transfer a body corporate or legal arrangement;
- assisting in the planning or execution of the creation or restructuring a body corporate or legal arrangement
- providing a registered office address or principal place of business address, of a body corporate or legal arrangement.

'Check if you
may be
regulated' tool
on the AUSTRAC
website

Key obligations for tax practitioners

Enrol

- Create an AUSTRAC Online account to enrol with us

AML/CTF Program

- ML/TF risk assessment
- AML/CTF policies that document:
 - how you will manage the risk
 - how your business will comply with AML/CTF legislation

Customer due diligence

- You must establish the identity of your client and associated people
- Monitor how clients are using services over time
- Have enhanced measures for higher risk situations

Report to AUSTRAC

- Threshold transaction reports
- Suspicious matter reports
- Annual compliance report

Record Keeping

- Keep records about transactions, customer due diligence procedures and records proving compliance with your AML/CTF program

Program starter kits

The starter kits set out step-by-step actions businesses can take and include practical tools to help businesses meet their AML/CTF obligations, including:

- **A risk assessment:** Explains the typical money laundering and terrorism financing (ML/TF) risks faced by each type of business
- **A policy document:** Sets out what businesses need to do, and when, to meet their AML/CTF obligations
- **A process document and forms:** Practical tools businesses can use immediately, or upload into their existing systems, to support day-to-day compliance



Guidance and education

Our core guidance is available on the AUSTRAC website and is designed to be a central reference point for all reporting entities as they develop their compliance approaches.

All educational resources can be accessed via the [Education page](#) of the AUSTRAC website.

Our suite includes:



E-learning modules



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**Professional services covered by
the AML/CTF regime**



Assisting in the planning or execution of a transaction to sell, buy or transfer real estate (item 1)

Professional Services



Assisting a client in planning or executing a transaction to sell, buy or transfer real estate

Exception



Does not apply if the transaction is made to comply with a Court or Tribunal order

Examples

| | | | | |
|---|--|--|-------------------------------------|--|
| Preparing, reviewing or lodging contracts | Researching property titles and land use | Coordinating with financial institutions | Holding funds on behalf of a client | Preparing financial settlements & documents for registration |
|---|--|--|-------------------------------------|--|

Assisting in the planning or execution of a transaction to sell, buy or transfer a body corporate or legal arrangement (item 2)

Professional Services

Assisting a client in planning or executing a transaction to buy, sell or transfer a body corporate or **legal arrangement** (including acting on a client's behalf)

Exception

Does not apply if the transaction is made to comply with a Court or Tribunal order

i

'Legal arrangement' includes express trust, partnership, joint venture and unincorporated association

Examples

Representing a client in negotiations

Preparing or reviewing contracts

Conducting or advising on due diligence, & valuation of assets/liabilities

Obtaining government approvals

Preparing financial settlements

Receiving, holding, controlling or managing a person's property to help in the planning or execution of a transaction (item 3)

i *Property includes money, accounts, securities or securities accounts and virtual assets*

Professional Services



Receiving, holding, controlling or managing a person's **property** to help in planning or executing a transaction

Exception



Exceptions apply

Examples

Managing or holding sale proceeds or purchase funds for a client in escrow

Having authority over a client's bank account and making payments on their behalf (for example, loan repayments)

Providing a registered office address or principal place of business address of a body corporate or legal arrangement (item 9)

Professional Services



Providing a registered office address or principal place of business address of a body corporate/legal arrangement

Exception



None

Example

Providing an address to a client in lieu of a genuine office address from which an entity (body corporate or legal arrangement) operates their business from

**Comparing AML/CTF and *Tax Agent Services Act 2009* (TASA)
requirements**

Client Identification



AML/CTF requirements

You must carry out:

- initial due diligence – before providing a designated service to a client
- ongoing customer due diligence throughout the client relationship.

Part 2 of the AML/CTF Act

TPB considerations

TASA regime requires you to verify your clients.

If you comply with the AML/CTF requirements in relation to the provision of your services, you will generally meet the [minimum proof of identity requirements](#) for client verification required by the TPB.



Confidentiality

AML/CTF requirements

You must report certain suspicious matters and transactions to AUSTRAC.

Part 3 of the AML/CTF Act

TPB considerations

If you have a legal duty to report to AUSTRAC under the AML/CTF regime, you will not breach item 6 of the Code of Professional Conduct (Code) or section 25 of the Tax Agent Services (Code of Professional Conduct) Determination 2024 (Code Determination), which concerns maintaining confidentiality in dealings with government.

Record keeping



AML/CTF requirements

You must make and maintain accurate and complete records relating to the provision of designated services. Records must generally be kept for 7 years (noting that there are some varying requirements).

Part 10 of the AML/CTF Act

TPB considerations

You must keep [records](#) that correctly record tax agent services provided (or provided on your behalf) to clients. Records must be kept for 5 years.

Many aspects of the recordkeeping obligations are similar, and, in some cases, the same record may be kept for the purposes for both regimes.



Personnel due diligence/ training

AML/CTF requirements

You must carry out initial and ongoing personnel due diligence on personnel employed or engaged to perform AML/CTF functions. You must also provide AML/CTF training for personnel.

Sections 5-8 and 5-9 of the AML/CTF Rules

TPB considerations

You must ensure:

- tax agent services provided on your behalf are provided competently
- supervision and control arrangements are adequate
- those providing tax agent services on your behalf maintain relevant knowledge and skills
- you have systems of quality management
- you comply with disqualified entity requirements.

You must meet your obligations under AML/CTF and TASA regimes.

Outsourcing



AML/CTF requirements

You may enter into an arrangement with a third party to carry out AML/CTF functions on your behalf, such as:

- risk assessments
- AML/CTF policies
- customer due diligence
- suspicious activity reporting
- transaction reporting/monitoring.

Third parties may include regulatory technology businesses, legal professionals and AML/CTF advisers/consultants.

Outsourcing



TPB considerations

You may enter into arrangements with a third party to [outsource](#) a specific process, function, service or activity relating to the provision of tax agent services.

Third parties may include external service providers, contractors or suppliers.

The outsourcing arrangement varies under each regime.

- TASA regime – the outsourcing relates to the tax agent services
- AUSTRAC regime – the outsourcing relates to the AML/CTF function or obligation that applies to the tax practitioner.



Misconduct reporting obligations

AML/CTF requirements

You must report the following to AUSTRAC:

- *suspicious matters* – if you suspect on reasonable grounds that a person is not who they claim to be, or a matter is linked to AML/CTF criminal activity, tax evasion, an offence against a Commonwealth, State or Territory law or proceeds of crime.
- *threshold transactions* – if you provide a designated service that involves a transfer of physical currency of A\$10,000 or more (or foreign currency equivalent).



Misconduct reporting obligations

TPB considerations

You must self-report or report another registered tax practitioner where you have reasonable grounds to believe there has been a significant breach of the Code to the TPB (and relevant professional association as applicable).

The [TPB's breach reporting](#) regime targets conduct by registered tax practitioners, whereas AUSTRAC reporting obligations primarily target conduct by clients of registered tax practitioners.

Scenario

- Deb, a registered tax practitioner provides designated services through her company Smith Accounting Pty Ltd.
- Deb, enrolled with AUSTRAC from 1 July 2026 and takes her AML/CTF responsibilities seriously.
- A new client, Sally's Flower Shop, engages Deb to prepare their company tax return and financials.
- Deb completes her usual checks and while examining the bank statements, Deb notes:
 - Large and frequent cash deposits between \$5,000-\$20,000.
 - Deposits do not match cash sales
 - Previous tax returns & financials have the same problem.



Questions

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