Getting Ready for Australia's New AML/CTF Legislation: An Information Guide for our Clients

WHAT IS CHANGING

Starting 1 July 2026, the Australian legal profession will fall under the scope of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**) in the delivery of certain services known as 'designated services'. Not every service provided to you by our firm is a designated service. Designated services include:

- the purchase, sale, or transfer of real property, businesses, companies, trusts, or other legal structures
- the formation or reorganisation of companies, trusts, or other legal structures
- specified equity or debt financing arrangements; and
- receiving, holding, controlling, or managing funds or other assets in relation to a transaction.

We are dedicated to adopting these new obligations in a manner that is efficient, measured, and aligned with our legal, professional, and ethical duties.

These reforms are applicable to every Australian law firm offering designated services.

Any requests for information represent our standard regulatory obligations and are not a reflection on you, your organisation, or your matter. We understand that these requirements may be unfamiliar and could involve furnishing details that a law firm has not previously sought from you. We will work closely with you to clarify what is necessary and make the process as streamlined as we can.

SUPPORTING THE SMOOTH PROGRESS OF YOUR MATTER

To ensure your matter proceeds without undue delay, we may need to carry out certain AML/CTF verification steps before or during the course of our engagement before we can provide, or continue to provide, designated services to you.

Supplying the requested information at your earliest opportunity will help reduce the likelihood of holdups or disruptions. Should any request be unclear, or if sourcing the information proves challenging, please get in touch with us. We are committed to collaborating with you to ensure the process is as simple and efficient as possible.

DETAILS WE MAY REQUEST FROM YOU

Depending on the nature of your matter and the service we are delivering, we may request that you:

- verify your identity, usually by providing us with your full legal name, residential address, and date of birth and providing supporting documentation by way photo ID (usually passport and driver's licence or other government issued identification)
- confirm whether you are, or any relative of yours, is a member of any political association or a politically exposed person
- where we are acting for, or on behalf of, a company, entity, trust, or other corporate structure, provide details identifying the individuals who are the ultimate owners or controllers of that entity or structure. We may request information and documentation to verify the identity of such individuals
- confirm the nature and purpose of the engagement
- in certain circumstances, provide details regarding the source or origin of funds or wealth associated with a transaction, together with supporting documentation for verification.

You may find these types of checks familiar from your previous interactions with banks and other AML/CTF regulated institutions.

We appreciate that assembling this information requires time and may necessitate coordination within your organisation.

We will aim to ensure our requests remain focused and proportionate, draw on information already in our possession where feasible, and provide clear explanations of what is required.

STEPS YOU CAN TAKE IN ADVANCE

To help avoid delays, you may wish to:

- determine who within your organisation is able to furnish identity, ownership, and control information that we may request
- compile up-to-date details for relevant entities, trusts, or fund structures
- notify us at an early stage if certain information may be difficult to obtain
- provide requested information at the earliest opportunity, especially for time-critical matters and transactions.

CURRENT AND LONG-STANDING CLIENTS

If you are a current or long-standing client, we will rely on information already in our files wherever possible. Nonetheless, this new regime may require us to confirm, refresh, or verify information in a specified manner, particularly where a new entity, trust, fund, structure, or transaction is involved.

You may be asked to supply information again during the course of your matter in circumstances where for instance:

- a new entity, trust, fund, or structure is involved, or ownership or control has been modified
- we are engaged to provide a different or additional designated service
- your instructions to us significantly change
- the information we currently hold is incomplete or no longer current
- additional checks are necessary due to the nature or risk profile of the matter.

Once we have verified information, we will apply it to subsequent matters where our regulatory obligations permit us to do so.

LEGAL PROFESSIONAL PRIVILEGE

Our AML/CTF obligations do not diminish or remove legal professional privilege.

The AML/CTF framework obliges us to confirm our clients' identity, evaluate risk, and monitor transactions. It does not affect the substance or nature of the legal advice we deliver to you.

PREVENTING DELAYS

If necessary information is unavailable, we may be required to delay, restrict, or discontinue the relevant designated service until our AML/CTF obligations have been satisfied. These requirements are now imposed on all Australian law firms.

Flagging any concerns you have at an early stage will enable us to work with you to minimise disruption and delays where possible.

SAFEGUARDING YOUR PRIVACY AND CONFIDENTIALITY

The protection of your privacy and confidential information is of great importance to us.

We will manage personal information gathered for AML/CTF compliance purposes in accordance with the *Privacy Act 1988* (Cth), our professional confidentiality obligations, and our Privacy Policy.

We will use and retain information collected solely to fulfill our AML/CTF and related regulatory obligations. Please consult our Privacy Policy for further details.

PRIVACY COLLECTION NOTICE

When we collect personal information about you in accordance with our AML/CTF obligations, we are required to provide you with a privacy collection notice. View our privacy collection notice.

ENQUIRIES OR ADDITIONAL INFORMATION

For questions regarding how these requirements affect you and your matter, please reach out to your usual contact or email the AML team at AML@sbalaw.com.

Additional general information about these reforms can be found on the AUSTRAC website.