

## Industry Engagement update – Tranche 2 – Legal sector

### Update overview:

#### **New AML/CTF Rules - what's changed**

On 29 August, AUSTAC tabled the new Anti-Money Laundering and Counter-Terrorism Financing Rules (AML/CTF Rules) in Parliament. Here's what you need to know:

#### Reporting groups

Industry told us that they want reporting groups to be optional for business groups. We have listened and updated the Rules to reflect this feedback.

#### Initial customer due diligence

Supplementing section 28 of the AML/CTF Act, the Rules takes an outcomes-based approach and sets out minimum KYC information collection requirements for various customer types, dealing with different types of customers in distinct sections. To provide flexibility the Rules do not specify minimum KYC information collection requirements for customers that are individuals.

#### Delayed customer due diligence

The Rules provide more flexibility to delay verification of KYC information for all designated services, subject to safeguards to minimise ML/TF harm. These safeguards include not allowing the transfer of money, property or virtual assets for or on behalf of the customer, or otherwise making money, property or virtual assets available to the customer except where the money, property or virtual asset is made available to the customer in an account or otherwise on deposit.

#### CDD of customer representatives

We updated the Rules to provide simplified customer due diligence (CDD) of representatives of customers. Where a customer is represented by another person acting on their behalf, the reporting entity does not need to verify KYC information collected to establish the identity of the representative if:

- the scope of the representative's authority to act does not significantly increase the ML/TF risk of the customer

- there are no reasonable grounds for the reporting entity to doubt the adequacy or accuracy of the KYC information for the representative.

#### Reporting transition period for existing reporting entities

To allow existing reporting entities to focus on implementing the AML/CTF reforms before updating their reporting systems, the Rules put in place long-term transitional arrangements for updates to reportable details for suspicious matter reports and threshold transaction reports.

Reporting entities providing existing designated services and who are on the Reporting Entities Roll at 30 March 2026, can choose to either:

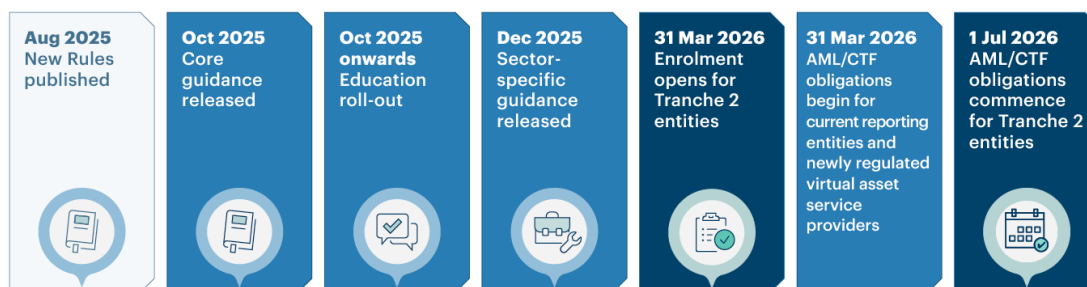
- Report using the new reportable details after 1 July 2026
- Continue to report using the current reportable details until whichever the earlier – either 31 March 2029 or a day notified by the AUSTRAC CEO

This choice does not apply to reporting entities who are not on the Reporting Entities Roll at 30 March 2026, such as Tranche 2 entities who are not eligible to apply for enrolment on the Reporting Entities Roll until 31 March 2026. These reporting entities must report using the reportable details in the new Rules on and after 1 July 2026.

You can find out more about the [AML/CTF Rules on our website](#).

### Key dates and timelines

#### Timeline



### Regulator roundtables

Earlier this week, we held our second regulator roundtable, this time with organisations that regulate the legal profession. It was a constructive session and provided valuable insight and an opportunity to engage directly on key issues. We will continue to meet with regulators across the regulatory cohort.

## Education update

We are excited to announce new dates for the Tranche 2 AML/CTF Essentials introductory webinars, which have already attracted over 12,000 attendees. Further dates for September-October have been published on the [Education and Guidance](#) webpage. We ask you to encourage your members to register.

## CPD consultation

AUSTRAC's draft CPD Policy and accompanying consultation paper were sent out earlier this week to relevant parties, with consultation **closing on Friday, 19 September**. If you missed the opportunity to be involved, please contact [Industry\\_Education\\_and\\_Outreach@austrac.gov.au](mailto:Industry_Education_and_Outreach@austrac.gov.au).

## Website campaign update

At the industry forum held in August, we noted that our External Communications team were in the process of running a project to update and enhance the AUSTRAC website. The project is intended to support the roll out of guidance and reform content for a better user experience.

Since then, we have created numerous new pages on our website to help you and your members prepare for the reforms. These include:

- [What is coming soon to help them](#) page, outlining what we are doing to support businesses as they adapt to reforms
- [Preparing for the changes if you're newly regulated](#) page, providing steps on how businesses can best start preparing for the reforms
- [Why you might be asked for ID](#) page, designed for the general public, explaining why customers may be asked for identification more frequently.

We will be continuing to make updates to our [Reforms hub](#) over the next 9 months. This will remain the key source for all updates, including new guidance material, fact sheets, and details on upcoming webinars.