

## Client explanation sheet

# Understanding the AML / CTF Act and why we need your ID

## What is the AML/CTF Act and why does it matter?

Australia's [Anti-Money Laundering and Counter-Terrorism Financing \(AML/CTF\) Act](#) is designed to stop illegal funds from entering the financial system. AUSTRAC estimates more than \$68 billion worth of crime-related money is laundered through Australia every year. This legislation aims to stop the flow of crime money and bring us in line with the rest of the world.

That's why from 1 July 2026, professional services firms, including law, accounting and real estate, will be required to:

- Verify client identity
- Assess the risk of money laundering or terrorism financing
- Monitor client activity and
- report suspicious behaviour

It's not about ticking boxes. It's about keeping crime out of our communities, professions and country.

## Why are you being asked for documents?

We may need to collect ID documents, company records, trust deeds, or information on the source of funds. If you're representing a company, trust or other structure, we're also required to identify and verify the individuals who ultimately own or control it.

This isn't because we think anything's wrong - it's because we're required by law to apply consistent checks to everyone. Each check is a small act of protection, helping stop criminal activities and keeping dirty money out of Australia.

## What you can expect from us

- A clear explanation of what's required
- Secure handling of your information
- A streamlined experience supported by technology

**We use a technology platform called First AML; an automated verification and workflow management tool, to comply with the AML laws with the goal of making the process as quick and easy as possible.**

## Why we need your ID

As part of the new anti-money laundering laws in Australia, professional services firms like ours are required to verify the identity of all clients from 1 July 2026.

This helps protect the financial system from misuse and brings us in line with global AML standards.

## What we may ask for

- A form of photo ID (e.g. passport or driver's licence)
- Proof of address (e.g. utility bill or bank statement)
- Company, trust or SMSF documentation (if relevant)
- Details about ownership or control of complex entities
- Source of funds information (for higher-risk transactions)

## How your information is handled

- We only collect what's required by law
- Your data is stored securely and handled in confidence
- It's used only for regulatory purposes

## What happens next

We'll guide you through the process step by step. If anything is unclear, just ask. We're here to make compliance easy for you and us.

## Frequently asked questions

### **Why do I need to do this for a property transaction?**

Buying or selling property is considered higher risk for money laundering. By law, we must verify your identity and understand where funds are coming from before the transaction can proceed.

### **Will this delay my sale or purchase?**

It doesn't have to. Most checks can be completed quickly if documents are provided on request. Delays usually only happen if information is missing or needs clarification, so it's best to complete this as soon as possible.

### **What if I'm buying via a trust, company or buying with others?**

We'll need to identify and verify the people who ultimately own or control the entity, not just the named buyer or seller. We'll guide you on exactly what's needed depending on your structure.

### **Why are you asking about my source of funds?**

For some transactions, we're required to understand how the money was obtained (e.g. savings, property sale, inheritance). This helps ensure the funds are legitimate and the transaction can proceed.

### **I've already given this information to my bank or lawyer - why again?**

Each party involved in the transaction has their own legal obligations and can't always rely on checks done by others. That means we're required to carry out this verification.