



ULTIMATE
TAX & ADVISORY

New Anti-Money Laundering and Counter-Terrorism Financing Laws

Frequently Asked Questions

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From 1 July 2026, accounting practices across Australia are required to comply with new anti-money laundering and counter-terrorism financing (AML/CTF) laws, regulated by AUSTRAC — Australia's financial intelligence agency. These FAQs explain what's changing, why we may ask you for identification, and what it means for you.

The Basics

1. What's changing?

From 1 July 2026, accountants are covered by Australia's anti-money laundering laws for the first time. In practice, this means our firm now has legal obligations to verify who our clients are and to monitor for certain types of suspicious activity when we provide specific services.

2. Why is this happening?

Australia is bringing its laws into line with international standards set by the Financial Action Task Force (FATF). Accountants, lawyers, real estate agents, and dealers in precious metals are being brought under the regime because these professions can be exploited by criminals to launder money - often without the professional even realising it. The reforms were passed into law on 10 December 2024 and take effect on 1 July 2026.

3. Does this affect me as a client?

Yes, but in a straightforward way. You may notice some changes in how we work with you, particularly when we take you on as a client or when we provide certain services. In practice, this may include requests for identification documents, additional questions about the purpose of a transaction, and requests for documentation before some services can be provided. These steps are required by law - they're not something we've chosen to introduce. For most clients, the process will be simple and quick.

4. Does this mean you think something is wrong?

Absolutely not. These checks are applied to every client, at every accounting practice, across the country. They're not triggered by suspicion, they're a blanket legal requirement, just like the ID checks at a bank. It's not personal and it's not optional. We're required to do it by law.

5. Does this apply to all the services we provide?

No. The rules only apply when we provide certain services known as "designated services." Whether the rules apply depends on the type of service being provided, not simply the fact that you're working with an accountant. Preparing a standard tax return or providing general tax advice is not a designated service on its own.

6. Does Ultimate Tax & Advisory need to register with AUSTRAC?

Yes. Firms that provide designated services are required to enrol with AUSTRAC as a reporting entity. Enrolment opens from 31 March 2026, and we must be compliant by 1 July 2026. This is a requirement for our firm, not for you as a client, but it's part of why you'll see some new processes when we work together.

Services Affected

7. What types of services are covered by the new rules?

The rules apply to specific professional services that involve financial transactions or the creation of legal structures. Some examples of services that may be covered include:

- Assisting with buying, selling, or transferring real estate
- Assisting with buying, selling, or transferring a company or trust
- Holding, managing, or controlling client money, accounts, or property
- Assisting with equity or debt financing transactions
- Creating or restructuring companies, trusts, or other legal arrangements
- Acting as (or arranging for someone to act as) a director, secretary, trustee, or partner on your behalf
- Providing a registered office or business address on behalf of a client

If we assist with services like these, the AML/CTF rules apply.

8. I only use you for tax returns. Does this still apply to me?

It depends. Preparing a standard individual tax return is generally not a designated service on its own. But if we also help you with things like setting up a company, managing a trust, handling client money, or assisting with the sale of a business, those activities are designated services and the requirements apply. We can confirm which of your services are affected.

Identity Verification

9. Why are you asking me for ID?

Under the new laws, we're legally required to verify the identity of every client before providing a designated service. This is called customer due diligence. It's not optional. It's a legal obligation, and it applies to both new and existing clients. Banks and financial institutions already follow similar processes.

10. What ID will I need to provide?

Typically, you'll need to provide your full name, date of birth, and residential address. We'll verify this against a government-issued photo ID such as a driver's licence or passport. For businesses, trusts, or other structures, we may also need information about directors, beneficial owners, or trustees.

11. Do you already have some of my documents on file?

In many cases, we may already have some of the key documents such as trust deeds, company constitutions, ASIC extracts, and similar records are sometimes kept at our office. Where that's the case, we'll work with whatever records we already have and only ask you for anything that's missing or needs updating. The main item you're most likely to need to provide is a current photo ID.

12. I've been a client for years. Why do I need to provide ID now?

We understand this might feel unnecessary after a long relationship. But the new laws require us to have formal identification on file for all clients we provide designated services to, not just new ones.

13. Will every client need to go through the same checks?

Not necessarily. The level of checks depends on the risk associated with the service or transaction. For most individual Australian residents using straightforward accounting services, the process will be simple. In some situations, such as complex structures, international elements, or higher-risk transactions, we may need to collect additional information. A higher level of checking doesn't mean anything is wrong. It's a standard part of the process.

14. Why are you asking where my money comes from?

In certain situations, particularly where an engagement involves large sums, complex structures, or international elements, the law requires us to ask about the source of funds for a transaction and how your overall wealth has been accumulated. These are standard risk-assessment questions required by the legislation, not a reflection of any concern about you.

15. What is a Politically Exposed Person (PEP) and why are you asking about it?

A PEP is someone who holds or has held a prominent public position, such as a government minister, senior public servant, judge, or military officer. It also includes a close family member or associate of such a person. The law requires us to ask this question as part of the standard due diligence process. It's asked of every client, not just those suspected of anything.

16. What happens if I don't provide ID?

We may not be able to provide you with certain services. Under the law, we must complete identity verification before providing a designated service. If we can't verify your identity, we may need to limit the services we offer you. We don't want that outcome, so the sooner we can get your details on file, the better for both of us.

17. Will I need to fill in forms?

Yes. We'll ask you to complete a short onboarding form with your personal details. This is used to collect the information we need for identity verification and risk assessment. It's straightforward, and we'll guide you through it.

18. Is my personal information safe?

Yes. We're required to keep your information secure and only use it for the purposes required by law. AML/CTF records must be retained for at least seven years, and we must comply with the Privacy Act 1988 in how we store and handle your data. Your information won't be shared with anyone outside of what the law requires.

Ongoing Obligations

19. Will you be monitoring my transactions?

We have an obligation to conduct ongoing due diligence on the services we provide to you. This means we'll keep your information up to date and may ask you to confirm or update details from time to time. If anything unusual comes to our attention in the course of providing services, we're legally required to assess it. This is a standard obligation that applies to all clients, it's not a reflection of any concern about you personally.

20. Is this a one-off thing, or ongoing?

The identity verification is largely a one-off process. But the obligations are ongoing, we'll need to keep your information current and may ask you to update your details from time to

time. If your circumstances change significantly, for example, you move overseas or restructure your business, we may need to do additional checks.

21. Will this slow things down?

There may be a small amount of additional time at the start of a new engagement, particularly for the initial identity check. Once your identity has been verified, the process for ongoing services should be seamless. For most clients, it'll feel similar to the onboarding process you've experienced with a bank.

Reporting & Compliance

22. Will you need to report certain matters to AUSTRAC?

Yes. If we form a suspicion that a transaction or activity may be related to money laundering, terrorism financing, or other serious crime, we're legally required to report it to AUSTRAC. This is called a suspicious matter report. These reports help authorities detect and disrupt serious and organised crime and protect the Australian community.

23. Will you tell me if a report has been made?

No. We're not allowed to. Under the law, disclosing that a suspicious matter report has been made (or is required to be made) is a criminal offence known as "tipping off." This applies to every accountant in Australia, not just our firm. If we seem unable to discuss certain aspects of a matter, please understand this may be because we're bound by these legal restrictions.

24. Could you decline to provide a service?

In some situations, yes. If we're unable to satisfactorily complete the required identity checks, or if the risk assessment identifies concerns that can't be managed under our compliance program, we may need to decline a designated service. This is uncommon, but it is part of our legal obligations.

Specific Situations

25. You provide my company's registered office. Does this affect me?

Yes. Providing a registered office or business address is classified as a designated service under the new AML rules. This means we'll need to complete identity checks for any company using our office as the registered address. In most cases, we'll do this as part of your regular annual engagement, and because we may already have many of the required documents on file, the process should be relatively quick.

26. What happens if my trust deed has been lost?

Under the new AML regime, we must sight the trust deed to complete due diligence on a trust. If the deed cannot be located, we cannot provide a designated service to the trust until the matter is resolved. If your deed is missing, there are two main options: applying to the Supreme Court to confirm the trust's terms, or winding up the existing trust and establishing a new one with a fresh deed. Both require legal advice from a solicitor, and we can help you work through the options. If you think your trust deed may be missing, please raise it with us sooner rather than later as both options take time.

27. I operate through multiple entities. Do I need to go through this for each one?

Yes, each entity that requires a designated service will need its own identity verification. However, where individuals are involved across multiple entities (for example, you're a director of two companies and a trustee of a trust), your personal identity only needs to be verified once. We'll coordinate the process across your structures to keep things as efficient as possible.

28. What if I'm overseas and can't provide documents in person?

We can accept certified copies of identification documents or use electronic identity verification methods. If you're overseas, get in touch and we'll talk through the options as there are ways to complete the process remotely.

Costs

29. Will this cost me more?

Our firm is now required to invest in compliance systems, mandatory staff training, identity verification processes, and ongoing monitoring - all of which have costs. Whether and how those costs are reflected in your fees will depend on the services you use. If there are any changes, we'll discuss them with you.

What You Need to Do

30. Do I need to take any action right now?

For most clients, no immediate action is required. However, from 1 July 2026, you may be asked to provide identification or additional information before we can proceed with certain services. Providing this promptly will help make sure there are no delays. If you've already been asked to complete an onboarding form or provide ID, that's this process in action and we appreciate your cooperation.

31. What's the best thing I can do to prepare?

The most useful thing you can do is make sure your photo ID is current and your contact details are up to date with us. Beyond that, there's no action required until a designated service is needed. When the time comes, we'll guide you through exactly what's required.

32. Where can I find more information?

AUSTRAC has published detailed guidance on its website at austrac.gov.au. But the easiest thing to do is ask us directly as we can explain which of our services are affected and exactly what you'll need to provide. We're here to make this as simple as possible for you.

If you have any questions about how the new AML/CTF requirements affect you, please don't hesitate to get in touch on 61443370 or email office@ultimate-tax.com.au. We're happy to walk you through the process and answer anything that isn't covered here.

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