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Technical Resource

AML/CTF TRANCHE 2: DO YOU NEED TO COMPLY?

MARCH 2026

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING (AML/CTF) TRANCHE 2 – DO YOU NEED TO COMPLY?

Accountants in Public Practice

AML/CTF tranche 2 reforms will commence on 1 July 2026

The Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) tranche 2 reforms are some of the most significant to impact professional accountants in years. The first step to understand if you will need to comply is to determine if you are providing, or will provide, one or more of the new "professional services" designated services that will be regulated by AUSTRAC under the reforms.

Importantly, AUSTRAC guidance states that whether a designated service will be provided will be determined on the specific circumstances of the engagement. This includes whether the actions of the relevant professional are sufficiently linked to advance the outcome specified in the designated service (such as a transaction), and whether any exceptions apply.

This fact sheet provides general guidance on whether common services provided by professional accountants may be regulated as a designated service under the AML/CTF reforms.

If you do, or will, provide a designated service, you must enrol with AUSTRAC as a reporting entity by 1 July 2026[1] and comply with your relevant obligations from 1 July 2026, which include:

- Develop and maintain an AML/CTF Program tailored to your business. This includes your ML/TF risk assessment, and AML/CTF policies
- Assign key governance roles, including an AML/CTF Compliance Officer
- Conduct initial and ongoing due diligence on, and training for, your personnel that are involved in the provision of designated services
- Undertake initial customer due diligence (CDD) before you provide a designated service to a customer
- Conduct ongoing CDD regarding your designated services, including monitoring customers for unusual transactions and behaviours
- Internal and external reporting obligations, including suspicious matter identification, assessment and reporting ("SMRs"), and
- Record keeping demonstrating compliance with your obligations.

To learn more or access further resources visit the IPA AML/CTF Member Resource Hub

[1] Enrolments for tranche 2 reporting entities open 31st of March 2026

COMMON SERVICES PROVIDED BY PROFESSIONAL ACCOUNTANTS	Likely designated service*
Business services	
Hold client money on trust as payment for services you will provide	**No**
Provide a registered office address for a client to use and notify ASIC	Yes - Item 9
Have authority over your client's bank account to make payments on their behalf, e.g. loan repayments to a financier	Yes - Item 3
Prepare the payroll and create the ABA file for your client's business	**No**
Prepare the payroll, create and upload the ABA file to your client's bank account, for your client to execute, process and pay	**No**
Prepare the payroll, create and upload the ABA file to your client's bank account and execute payment on behalf of your client	**No**
Prepare the ABA file for your client for rent or other business expenses excluding employee entitlements	**No**
Prepare the ABA file and execute payment with your client's joint authority for your client for rent or other business expenses excluding employee entitlements	Yes - Item 3
Prepare the ABA file and execute payment for your client for rent or other business expenses excluding employee entitlements	Yes - Item 3
Company Services	
Refer your client to another qualified professional to establish a company	**No**
Use an online company service to set up a company	Yes – Item 2
Undertake due diligence, including valuing the assets and liabilities for the sale of your client's company	Yes - Item 2
Prepare Vendor's (section 52) Statement for the sale of a company	Yes - Item 2
Review Vendor's (section 52) Statement for the sale of a company	Yes - Item 2
Lodge applications and forms with ASIC to register a company or a business name	Yes - Item 6

COMMON SERVICES PROVIDED BY PROFESSIONAL ACCOUNTANTS	Likely designated service*
Prepare the forms to be submitted to ASIC to transfer a company	Yes - Item 2
Draft, review or negotiate agreements or business documents to create or restructure a company, e.g. company constitutions, partnership agreements or shareholder agreements	Yes - Item 2
Represent your client in negotiations to buy or sell a company	Yes - Item 2
Draft, review or negotiate agreements or business documents for a client's company merger or demerger (or proposed merger or demerger)	Yes - Item 2

Debt and Equity Finance Services

General advice about the options and steps to fund a start-up company	**No**
Assist your client to secure equity to fund a start-up company	Yes - Item 4
Negotiate, structure or execute a financing deal where the funds will be paid to your client's company or trust	Yes - Item 4
Draft debt or equity finance documents where the funds will be paid to your client's company or trust	Yes - Item 4

Insolvency Services

Act as a director in your capacity as a liquidator when winding up a company pursuant to a court order	**No**
Small business debt restructuring arrangement (under *Corporations Act 2001*) – however, debt or equity financing arrangements associated with this activity may be a designated service. See *Debt and equity finance services* above	**No**
Restructure personnel or IT systems	**No**

Self-Managed Superannuation Funds (SMSF)

Set up an SMSF for a client using online document services, including tailoring the SMSF Trust Deed	Yes - Item 6
Set up a company to act as the SMSF Corporate Trustee	Yes - Item 6
Use an online company service to set up a company to act as the SMSF Corporate Trustee	Yes – Item 6

COMMON SERVICES PROVIDED BY PROFESSIONAL ACCOUNTANTS	Likely designated service*
Apply to the ATO to obtain an ABN for the company that will act as the Corporate Trustee	Yes – Item 6
Act on client instructions to prepare relevant documents to appoint trustees to the SMSF	Yes – Item 7
Amend the Trust Deed for an SMSF using online document services	**No**
On client instructions complete the paperwork to rollover over a client's superannuation to an SMSF	**No**

Tax Agent Services

Prepare the tax return for your client's SMSF	**No**
Receive your client's tax refund into your trust account and then disburse the funds to their bank account	**No**
Prepare and lodge your client's BAS for their business	**No**
Provide tax advice to your client on the implications of selling their company	**No**
Complete an application for a clearance certificate from the ATO for an Australian resident client to avoid paying the Foreign resident capital gains withholding (FRCGW)	**No**

Trust Services

Draft or review trust deed, including prepare a deed for a discretionary trust, bare trust (or other asset protection arrangements using legal structures)	Yes – Item 6
Arrange in writing for a person to act as a trustee of a testamentary trust	**No**

*** Summary of designated professional services under the reformed AML/CTF Act[2]**

Item 1 – Assisting a person in the planning or execution, or otherwise acting for or on behalf of them in, a transaction to buy, sell or otherwise transfer real estate, if the sale, purchase or other transfer is not pursuant to, or resulting from, an order of a court or tribunal

Item 2 – Assisting a person in the planning or execution, or otherwise acting for or on behalf of them in, a transaction to sell, buy or otherwise transfer a body corporate or legal arrangement,[3] if the sale, purchase or other transfer is not pursuant to, or resulting from, an order of a court or tribunal

Item 3 - Receiving, holding, controlling or managing a person's property, as part of assisting the person in the planning or execution of a transaction or otherwise acting for or on behalf of a person in a transaction

Item 4 – Assisting a person in organising, planning or executing a transaction, or otherwise acting for or on behalf them in a transaction, for equity or debt financing relating to a body corporate[4] or legal arrangement

Item 5 - Selling or transferring a shelf company

Item 6 – Assisting a person to plan or execute, or otherwise acting on behalf of a person in, the creation or restructuring of a body corporate or legal arrangement

Item 7 – Acting as, or arranging for another person to act as, any of the following on behalf of a person (the nominator):

- a director or secretary of a company
- a power of attorney of a body corporate or legal arrangement
- a trustee of an express trust
- a position in any other legal arrangement that is functionally equivalent to a position mentioned above

Item 8 - Acting as, or arranging for another person to act as, a nominee shareholder of a body corporate or legal arrangement, on behalf of a person (the nominator), and

Item 9 - Providing a registered office address or principal place of business address of a body corporate or legal arrangement.

Visit AUSTRAC guidance on the Professional Services (Reform) for further information.

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[2] Table 6 of section 6 of the reformed *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

[3] Legal arrangement means any of the following: an express trust, partnership, joint venture, unincorporated association, or a similar arrangement, including a foreign arrangement.

[4] Body corporate refers to a person, association or group of persons legally incorporated into a corporation. This includes a shelf company, which is a company that has been registered with ASIC but hasn't traded or engaged in any business activity, and doesn't have any assets or liabilities.

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