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 cleaned 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 is 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

## WHY WE NEED YOUR ID (AND WHAT HAPPENS NEXT)

As part of new anti-money laundering laws in Australia, professional services firms like ours will soon be required to verify the identity of all clients.

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.