Media Release

Law Council
OF AUSTRALIA

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Law Council releases guidance to help legal profession navigate new AML/CTF regime

The Law Council of Australia has today released detailed guidance to help law firms answer the complex and vital question of whether they provide a designated service and are subject to the new anti-money laundering and counter-terrorism financing (AML/CTF) reporting obligations.

“The extension of the AML/CTF regime to professional services, including the legal profession, comes into force tomorrow,” Law Council of Australia President, Tania Wolff said.

“Whether the new obligations apply to a firm depends on whether they provide a prescribed ‘designated service’. Any practice that provides a designated service will have to comply with the new rules. This makes it essential for practices to be able to properly assess whether their work falls under this definition.

“Based on how important this information is, clarifying what is an eligible designated service has been a priority of the Law Council’s consultation with Government since the Tranche 2 reforms were finalised.

“I thank our AML/CTF Working Group, and in particular Chair Juliana Warner, for their extraordinary efforts over an extended period to prepare the legal profession for these new obligations, including through detailed guidance, clarifications and sustained engagement with Government to ensure designated services are appropriately defined and the reforms achieve their objectives.”

The Law Council urges all law firms providing designated services to make sure they understand the additional requirements they will need to meet.

“Practices that provide services regulated by the amended AML/CTF Act, including real estate and corporate transactions, equity and debt financing, and corporate restructuring—among other things—will be a reporting entity under the expanded AML/CTF regime,” Ms Wolff said.

“Regulated practices must be enrolled with AUSTRAC by 29 July 2026 and implement an AML/CTF compliance program. Practices will also need to complete due diligence on clients, and, in specific circumstances, confirm a client’s source of wealth.

“While many of these obligations are not new to lawyers, the framework is an additional layer of regulation that legal practices must be ready to comply with.

“Importantly, regulated practices are required to report suspicious matters to AUSTRAC without ‘tipping off’, or informing, the client about whom the report is made. If this occurs, you will need to cease acting for your client—and should seek legal and ethical advice.”

To find out if you provide a designated service, see the Law Council’s Guidance Note released today, or visit AUSTRAC or your state or territory Law Society or Law Institute’s AML/CTF hub. Information on meeting the new obligations can also be found at AUSTRAC.

“Over the coming months we will monitor the impact of these reforms on legal practices and continue to work with the Government to ensure they achieve their objectives without significant unintended consequences for lawyers and their ability to ably represent their clients,” Ms Wolff said.

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