AML/CTF AND REAL ESTATE LAWS WHAT THEY MEAN FOR SELLERS

What is AML/CTF?

AML/CTF refers to anti-money laundering and counter-terrorism financing scheme governed by the Anti-Money Laundering and Counter-Terrorism Financing Act (Cth) 2006 (Act).

AML/CTF legislation was first introduced to Australia in 1988 and has governed financial institutions, gambling services and payment providers since 2006. Now the government has expanded the AML/CTF laws to incorporate services of lawyers, accountants, real estate agents, professional service providers, and dealers in precious stones and metals.

The core purpose of the Act and the framework is to uncover, deter and disrupt illegal activities of money laundering, counter-terrorism financing, fraud and proliferation financing.

When does this apply to Real Estate industry?

From 1 July 2026, agents who provide a service to sell, purchase or transfer of real estate (Designated Service) are legally obligated to comply with the AML/CTF legislation. Under the Act a Designated Service commences at two separate points in the transaction. The first is when the Form 6 appointment is signed with a client, and again when a contract of sale is executed.

What does this mean for you as a seller?

As a seller, this means you will be required to provide range of personal information and other information about your intended sale to your selling agent. Furthermore, if the purchaser of your property is using a buyer's agent, you are also required to provide the same information to their agent.

You should note questions relating to AML/CTF assessment go far beyond the normal verification of identity and you should expect to answer questions and provide documentation such as:

- Your identity, occupation and countries you are linked to;
- The source of your funds for the intended transaction;
- The services you are seeking from the agent and why;
- If you have ever been a politically exposed person or have relatives or close associates who are or were politically exposed persons; and
- If you are selling the property under a company or trust, who the ultimate beneficial owners are and supporting document to demonstrate this.

Can I opt-out of this?

No, an agent cannot act on your behalf until they have completed their AML/CTF assessment and those required in relation to the counterparty in the transaction. Every real estate professional in Australia providing a Designated Service must comply with these laws.

How is my personal information and data stored and protected?

The agent/s involved with your transaction are legally obligated to store your personal information and data for a minimum of 7 years. The agent/s must also collect and store data pursuant to the Privacy Act (Cth) 1988. If you are concerned about your privacy, the REIQ recommends you speak with the agent/s to understand how they will store and protect your data.

I have already completed this with my bank and/or my lawyer; why am I doing this again?

The Act requires multiple AML/CTF assessments across a variety of professionals. Unfortunately, this leads to duplication of client checks across providers such as banks, lawyers, accountants and real estate agents. Although the laws do allow for potential sharing of information amongst these professionals, this can be complicated and is not always possible.