



# AUSTRAC 2025-26 REGULATORY PRIORITIES

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AUSTRAC's regulatory efforts are directed at 2 strategic objectives.

AUSTRAC's strategic objectives	
	
<p>Improving money laundering, terrorism financing and proliferation financing (ML/TF/PF) risk management through reporting entities implementing effective anti-money laundering and counter-terrorism financing (AML/CTF) controls</p>	<p>Enabling AUSTRAC's intelligence function (and by extension, our law enforcement partners) through high quality transaction reporting from reporting entities</p>

We use a range of regulatory tools and activities to influence reporting entities in support of these objectives. We set up new and existing reporting entities for success through guidance and education. We monitor, assess and provide feedback on ML/TF/PF risk management practices in industry sectors and to individual entities. We intervene, including through enforcement action, where harm arises from businesses not managing their ML/TF/PF risks.

We will focus our regulatory efforts on the most significant ML/TF/PF risks and harms. We will plan to achieve iterative improvements over specific timeframes.

For the 2025–26 financial year, we have identified the following as areas of focus. Some of these are already the subject of intensive programs of work, while for others we will develop targeted projects and campaigns to achieve our desired outcomes.

## OUTCOME: 'Tranche 2' entities understand their AML/CTF obligations and start appropriately managing their ML/TF/PF risks

From 1 July 2026, AML/CTF obligations will apply to a range of services typically provided by real estate agents, dealers in precious metals and stones and professional service providers such as lawyers, conveyancers, accountants, and trust and company service providers. Businesses that provide the newly covered 'designated services' will need to:

- enrol and (in some cases) register with AUSTRAC
- develop and maintain an AML/CTF program tailored to their business
- conduct initial and ongoing customer due diligence
- report certain transactions and suspicious activities
- make and keep certain records.

A summary of the requirements for tranche 2 entities is available on [AUSTRAC's website](#).<sup>1</sup>

### BY 30 JUNE 2026:

- AUSTRAC will have published guidance and conducted education activities, to help tranche 2 entities understand their ML/TF/PF risks and obligations.
- All tranche 2 entities will have:
  - enrolled and (where necessary) registered with AUSTRAC
  - adopted an AML/CTF program, either by developing their own or (if appropriate) using the starter program provided by AUSTRAC
  - trained relevant staff on their ML/TF/PF risks, and their AML/CTF program and obligations
  - put in place systems and processes to meet their reporting and record-keeping obligations.
- AUSTRAC will be focusing its regulatory interventions on tranche 2 entities who:
  - have not enrolled (and registered, if required)
  - are not putting meaningful effort into implementing their AML/CTF program, systems and controls.

<sup>1</sup> [austrac.gov.au/about-us/amlctf-reform/summary-amlctf-obligations-tranche-2-entities](https://austrac.gov.au/about-us/amlctf-reform/summary-amlctf-obligations-tranche-2-entities)

## OUTCOME: Existing reporting entities implement changes to their AML/CTF programs and practice, to align with changes in the legislative regime

Starting from 31 March 2026, a range of important changes to existing obligations under the AML/CTF Act come into effect. These affect (among other things):

- the requirements relating to AML/CTF programs, customer due diligence, value transfer obligations and reporting international transfers
- regulation of additional virtual asset services
- the definition of bearer negotiable instruments.

Some of these changes are subject to staged implementation. A summary of the changes and timings for existing reporting entities is available on [AUSTRAC's website](#).<sup>2</sup>

### BY 30 JUNE 2026:

- AUSTRAC will have published guidance and conducted education activities to help existing reporting entities understand the changes to their obligations.
- Existing reporting entities will have:
  - reviewed their ML/TF/PF risk assessments to ensure they reflect their business' current risk profile
  - assessed their AML/CTF programs to determine what changes to processes, systems and controls are required to align with the revised legislative regime
  - implemented the required changes, or be making meaningful progress against a documented implementation plan.
- AUSTRAC will be focusing its regulatory interventions on existing entities who:
  - have not continued to manage their ML/TF/PF risks appropriately during the transition period
  - cannot show that they are investing reasonable effort against a coherent implementation plan to bring their AML/CTF program in line with the revised obligations.

<sup>2</sup> [austrac.gov.au/about-us/amlctf-reform/current-reporting-entities/summary-changes-current-reporting-entities](https://austrac.gov.au/about-us/amlctf-reform/current-reporting-entities/summary-changes-current-reporting-entities)

## OUTCOME: An increased proportion of entities understand and comply with their suspicious matter reporting obligations

Suspicious matter reports (SMRs) are a critical input into AUSTRAC's intelligence work. This in turn provides our law enforcement partners with leads they need to take action against financially-enabled crime. In some sectors, a small number of reporting entities are responsible for a vast majority of the SMRs lodged with AUSTRAC, while many other entities have never lodged a report.

### BY 30 JUNE 2026:

- AUSTRAC will have identified SMR low- and non-reporters whose business profile and ML/TF/PF risk exposure suggest they should be regularly lodging reports
- these reporting entities will have improved their AML/CTF systems and processes, and will be lodging more and higher quality SMRs.

## OUTCOME: Improved ML/TF/PF risk management within the digital currency exchange and virtual asset service provider sectors

Digital currencies and digital currency exchange services were assessed as areas of increasing risk under the [Money Laundering National Risk Assessment](#)<sup>3</sup> AUSTRAC published in July 2024. Digital currencies allow criminal groups to move funds across borders quickly, cheaply and with limited ability to identify the sender or recipient. As the legitimate use of digital currency expands, opportunities for criminal use will also increase. The maturity of digital currency exchanges' ML/TF/PF risk management practices is highly variable, creating risks of exploitation by criminals.

### BY 30 JUNE 2026:

- only businesses that can demonstrate their competence and readiness to manage their ML/TF/PF risks will be registered by AUSTRAC as digital currency exchange service providers
- AUSTRAC will be focusing its regulatory interventions on digital currency exchange and virtual asset service providers that are indifferent or reckless to the risk their businesses could be exploited by criminals, or complicit in criminal activity.

<sup>3</sup> [austrac.gov.au/business/how-comply-guidance-and-resources/guidance-resources/money-laundering-australia-national-risk-assessment-2024](https://austrac.gov.au/business/how-comply-guidance-and-resources/guidance-resources/money-laundering-australia-national-risk-assessment-2024)

## **OUTCOME: Improved risk management by reporting entities whose exposure to cash creates ML/TF/PF vulnerabilities**

Although electronic payment channels and platforms are gradually displacing cash, an estimated \$103 billion of cash is still in circulation. Cash continues to be used for a wide range of legitimate purposes, for both everyday and more significant transactions. In 2024, AUSTRAC received over 2 million threshold transaction reports, which relate to transactions involving \$10,000 or more in cash.

Cash is a mainstay of money laundering in Australia and abroad. Domestically, it is one of the most commonly restrained, forfeited or frozen asset types in criminal asset confiscation matters. It is exploited for its anonymity, accessibility, widespread acceptance and availability. Its use also requires minimal skills, knowledge and expertise.

### **BY 30 JUNE 2026:**

- AUSTRAC will have conducted discovery work to identify entities and cohorts that are not adequately managing their cash-related ML/TF/PF risks
- AUSTRAC will be focusing its regulatory interventions on improving the adoption of industry-recognised controls to manage vulnerabilities associated with cash.

## **OUTCOME: An increased proportion of existing reporting entities update their enrolment details when required under the AML/CTF Act and Rules**

Reporting entities are required to give AUSTRAC updated information relating to their business, the designated services they provide and certain key office holders whenever it changes. Inaccurate information can prevent us from properly understanding and communicating effectively with reporting entities.

Information about updating your details is available on [AUSTRAC's website](#).<sup>4</sup>

### **BY 30 JUNE 2026:**

- AUSTRAC will be using a range of channels to remind existing reporting entities of the need to keep their enrolment details up to date.

<sup>4</sup> [austrac.gov.au/business/austrac-online/update-your-details](https://austrac.gov.au/business/austrac-online/update-your-details)

## OUTCOME: Increased capability and coordination around the management of ML/TF/PF risks in the Pacific region

Strong regional partnerships contribute great value to the ongoing fight against money laundering and other serious financial crime. AUSTRAC collaborates with Pacific region partners through the Pacific Financial Intelligence Community and the Pacific Supervisors Forum. We will continue to support and partner on regulatory issues through enhanced capability, improved coordination and joint projects.

### BY 30 JUNE 2026:

- AUSTRAC will provide greater support for the Pacific AML/CFT Supervisors Forum including through establishing a PSF Secretariat aligned with the Pacific Financial Intelligence Community Secretariat, delivering the PSF annual meeting and establishing an annual work program.

### FURTHER INFORMATION

For more information about the AML/CTF reforms and upcoming regulation for businesses, visit [AML/CTF Reform](#).<sup>5</sup>

You can also [subscribe for updates on guidance, education and events](#).<sup>6</sup>

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<sup>5</sup> [austrac.gov.au/about-us/amlctf-reform](https://austrac.gov.au/about-us/amlctf-reform)

<sup>6</sup> [austrac.gov.au/news-and-media/subscribe-to-updates](https://austrac.gov.au/news-and-media/subscribe-to-updates)



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