The smart agent's guide to AML/CTF

Instructor guide and facilitation manual

Australian Government

AUSTRAC

Contents

1. Introduction and training intent

Purpose of the training

This training package has been developed to prepare frontline real estate professionals for the introduction of Australia's new anti-money laundering and counter-terrorism financing (AML/CTF) obligations that started 1 July 2026.

The package focuses on translating AML/CTF obligations into practical, real-world actions relevant to the daily role of frontline real estate professionals.

Rather than focusing purely on legislation or compliance theory, the training is designed to:

- build understanding and confidence
- reduce and address misconceptions
- help identify risks and indicators
- develop practical client communication skills
- support consistent escalation and decision-making processes.

Note: this training is designed for frontline real estate professionals only and doesn't go into the level of detail required for AML/CTF compliance officers. In some cases, the trainee may also be an AML/CTF compliance officer. There are additional training resources for AML/CTF compliance officers available on the AUSTRAC website.

Training philosophy

The training has been intentionally designed around adult learning principles and the key needs of real estate professionals.

The learning design therefore focuses on:

- practical application
- real-world scenarios
- interactive discussion
- confidence-building
- inquiry-based learning
- peer learning and reflection.

Core learning outcomes

By the end of the training, participants should be able to:

- understand why AML/CTF obligations apply to real estate
- recognise common money laundering methods and indicators
- understand their role in customer due diligence (CDD)
- understand what actions to take when risks arise
- conduct basic onboarding and CDD activities
- manage client conversations professionally
- understand ‘tipping off’ obligations
- know when and how to escalate concerns internally.

2. Facilitator preparation checklist

Before delivering a facilitated workshop:

- ☐ review the slide deck in full
- ☐ read all facilitator notes and activity instructions
- ☐ familiarise yourself with key AML/CTF terminology
- ☐ review all role-play activities and worksheets
- ☐ understand the flow between modules.

Materials required

- ☐ slide deck
- ☐ participant workbook/activity sheets
- ☐ client prompt cards
- ☐ AML/CTF FAQ guide
- ☐ example onboarding forms
- ☐ example initial CDD forms
- ☐ mock identification documents
- ☐ whiteboard or flipchart (face-to-face delivery)
- ☐ timer or phone stopwatch.

Room setup

- ☐ tables arranged for small group discussion
- ☐ space for role-play activities
- ☐ projector/audio tested
- ☐ wi-fi connection checked (you will need this for the video)
- ☐ handouts placed on tables.

3. Delivery guidance and adult learning principles

This training uses several key adult learning principles.

Relevance first

Adults engage more effectively when learning feels directly relevant to their role.

Facilitator tips: connect concepts back to everyday agency practice. Use real-world real estate examples wherever possible.

Inquiry-based learning

Participants are encouraged to explore problems and scenarios before being taught formal frameworks.

Examples:

- 'Guess Who?' activity
- scenario-based risk discussions.

Purpose:

- build critical thinking
- improve retention
- encourage active learning.

Scenario-based learning

The training is based on using realistic real estate industry scenarios. This helps participants:

- apply concepts practically
- build pattern recognition
- understand context rather than memorising rules.

Social learning

Participants learn from:

- group discussion
- peer perspectives
- shared interpretation of scenarios
- role-play activities.

Facilitator tip: encourage discussion rather than immediately giving answers.

4. Module-by-module overview

Module 1 – Why AML/CTF matters

Purpose

This module introduces AML/CTF in a way that is directly relevant to real estate professionals, addressing common misconceptions and reframing AML/CTF obligations as part of professional practice, rather than an external compliance burden.

It establishes:

- why AML/CTF matters in the context of real estate
- how money laundering occurs in property transactions
- what the new requirements mean for frontline real estate professionals.

The module uses myth-busting, interactive activities and case studies to increase engagement and reduce resistance.

Activities

Activity 1 – AML/CTF myths: Busted or believable?

Purpose: address common misconceptions about anti-money laundering and counter-terrorism financing (AML/CTF) reforms.

Activity 2 – Guess who?

Purpose: inquiry-based learning activity.

- Participants identify risks before formal instruction.
- Builds pattern recognition and critical thinking.

Module 2 – What to look for, what to do and your responsibilities

Purpose

This module provides the foundation frontline real estate professionals need to confidently meet their AML/CTF responsibilities, combined with practical guidance on recognising and responding to risk.

It brings together:

- AML/CTF 101: a clear, simplified explanation of AML/CTF and how it applies to real estate.
- Agent responsibilities: what real estate agents are responsible for (and what they are not), including their role in customer due diligence (CDD).
- CDD in practice: understanding simplified, ongoing and enhanced customer due diligence.
- Risk and indicators: how to identify suspicious activity across transactions.
- Understanding workflows: clear guidance on how AML/CTF fits into existing workflows (what to do and when).

Key activities

Customer due diligence scenario activity

Participants manually complete:

- onboarding review
- initial customer/client due diligence for a given scenario.

Module 3 – AML/CTF in practice

Purpose

Real-world application and client interaction.

This module focuses on applying AML/CTF requirements in day-to-day interactions with clients and transactions.

It equips frontline real estate professionals with:

- practical strategies for managing client conversations
- techniques for handling resistance and objections
- guidance on avoiding 'tipping off'
- clear escalation pathways and next steps.

The module uses role-based scenarios and conversation practice to build confidence in high-pressure or ambiguous situations.

Key activities

Client conversation role plays

Participants practice:

- introducing AML/CTF requirements
- responding to objections
- using FAQ guides
- managing difficult conversations professionally.

5. Slide-by-slide speaker notes

Purpose

This section provides:

- suggested facilitator narration
- key messages
- transition guidance
- facilitation tips.

Structure

Each slide includes:

- suggested script
- facilitator notes
- facilitator guidance.

Speaker notes are:

- a guide, not a script to memorise
- designed to support consistent delivery.

Suggested timing guide

Section	Time
Introduction	10 min
Module 1	30 min
Module 2	60 min
Module 3	30 min
Wrap up and questions	10 min

Slide scripts

Slide	Guide script	Notes
Introduction		
1 Title slide	Welcome everyone to the smart agent's guide to AML/CTF. Today's training is focused on preparing frontline real estate professionals for the introduction of Australia's new anti-money laundering and counter-terrorism financing (AML/CTF) reforms for the real estate sector. One of the key goals of today is to make these reforms practical, understandable and relevant to the real world of property transactions — not just legal theory or compliance jargon. This session has been designed specifically for frontline real estate professionals and focuses on: • real-world scenarios • client conversations • practical workflows • risk awareness, and • what to actually do in practice	
2 Acknowledgement of country	I'd like to begin by acknowledging the Traditional Custodians of Country throughout Australia and their continuing spiritual, social and cultural relationship with the land, waters, skies and community. We pay our respects to their Elders past and present, and to their community leaders, and extend that respect to all Aboriginal and Torres Strait Islander peoples.	

Slide	Guide script	Notes
3 What to expect from today	By the end of today's training, you should feel much more confident about: • what your AML/CTF responsibilities actually are • what money laundering can look like in real estate • how to identify potential risks and indicators • what actions you're expected to take • how customer due diligence works in practice • and importantly, how to manage client conversations professionally and confidently. You'll see that there's a focus in the content on customer due diligence and suspicious matter reports. That's because, as frontline real estate professionals, these are the 2 responsibilities you'll be involved in most. Speak to your AML/CTF compliance officer or take a look at the AUSTRAC website if you have any questions about other types of reports under the AML/CTF regime. I'd also like to mention that at certain points of the training we'll be talking about escalating matters appropriately to your AML/CTF compliance officer. Just a note here: if you're someone who runs the agency by yourself or with a very small team then it might be the case that you'll be the person dealing with matters from start to finish. If that's the case for you, then you should take a look at further resources and training AUSTRAC has on their website to understand the role of the AML/CTF compliance officer too.	
4 Before we start	Before we begin, please take a few minutes to complete the pre-training questionnaire. This helps us: • understand your current knowledge level • measure learning outcomes after the session • improve future versions of the training.	

Slide	Guide script	Notes
5 Know your acronyms	One thing you'll quickly discover in the AML/CTF regime is that there are a LOT of acronyms. We'll use these regularly throughout the training, so this slide is designed as a quick cheat sheet.	
6 Learning journey	The training is structured into 3 modules. Module 1 focuses on: • why AML/CTF matters • how money laundering occurs • starting to think critically about risk. Module 2 is the core knowledge module: • AML/CTF obligations • customer due diligence • risk indicators • escalation • structured decision making. Module 3 focuses on: • real-world application • client conversations • difficult situations • 'tipping off' • escalation pathways. The overall flow is very intentional: we start with understanding, then move into process, then finally practical application.	<u>Facilitator notes</u> Reinforce that the modules build progressively. Help participants understand the 'why' before the technical detail.

Slide	Guide script	Notes
7 Why are we here?	On 1 July 2026, the real estate industry became regulated under Australia's AML/CTF regime for certain services they provide. This reform is part of broader national efforts to combat money laundering, terrorism financing, proliferation financing and other serious financial crimes. Importantly: real estate isn't being singled out. These obligations already apply across industries including banking, gambling and financial services. Real estate is now joining that broader national framework alongside legal professionals, accountants, conveyancers and dealers in precious metals, stones and products.	
8 Why AML/CTF matters	Financial crime isn't a victimless crime. These reforms are designed to help make our communities safer. Let's start with this video.	
9 Closing the loop	Before we get into what these reforms mean in practice, it's useful to understand why they're happening. Australia is one of only 5 countries in the world (alongside countries like Haiti and Madagascar) that historically didn't regulate and extend AML/CTF obligations to real estate. These reforms are designed to close that gap and reduce the ability for property transactions to be used to move or hide illicit funds.	

Slide	Guide script	Notes
10 Not just real estate	One important thing to note is that these reforms aren't just about real estate. These reforms are being introduced across a range of industries that help facilitate large transactions, ownership structures, or movement of money. That includes professionals like: • lawyers • accountants • conveyancers • businesses dealing in high-value goods. Why does this matter? Because many of these professionals already interact with property transactions today. So rather than real estate being singled out what we're really seeing is multiple parts of the transaction ecosystem being brought into the framework together.	
11 Relay image (transition slide)	So, with that…it's time to get started.	
Module 1		

Slide	Guide script	Notes
12 Module 1 title slide	We'll now move into Module 1: why AML/CTF matters. This module is designed to: • address common misconceptions • help you start recognising how money laundering can occur in property transactions.	
13 Module 1 outcomes	By the end of this module, you should: • understand why AML/CTF matters in real estate • recognise that money laundering can occur in ordinary transactions • begin thinking critically about risk. Importantly, the goal is: • not to turn you into investigators • to help you notice when things don't quite add up.	
14 What we will cover	This module is built around 2 core interactive activities. The first is: • AML/CTF myths – Busted or believable? • This activity is designed to tackle common misconceptions and concerns that exist in the real estate industry. The second activity is: • Guess who? This is a scenario-based exercise where information unfolds progressively across property transactions.	

Slide	Guide script	Notes
15 Activity 1: AML/CTF Myths – Busted or believable?	We're going to start with a myth-busting activity. I know there are some assumptions and misconceptions about these reforms within the real estate sector. So, for the next few slides, I'm going to present a series of statements. Your job is to decide: is the statement true or false?	<u>Activity instructions</u> • Read out each myth. • Ask participants to vote: true or false? • Encourage short discussion before revealing answer. <u>Facilitator notes</u> • Keep energy high. • Avoid making participants feel 'wrong'. • The goal is addressing misconceptions, not testing intelligence or knowledge on AML/CTF reforms.

Slide	Guide script	Notes
16 Myth 1: My role is to detect criminal activity.	First statement: Under the new AML/CTF laws, frontline real estate professionals are responsible for identifying unusual behaviour— not investigating crime. True or false? *[Pause for discussion/vote]* The answer is **true**. Your role is NOT to: • investigate crime • prove money laundering • accuse people of wrongdoing. Your role is much simpler. • Know who your client is. • Notice when something doesn't add up. • Follow the process set by your agency. • Escalate matters appropriately. Think of it this way: You're part of an information and intelligence framework. You're not a law enforcement officer. Your business's compliance officer will need to assess whether a suspicious matter report – a reporting obligation – needs to be submitted to AUSTRAC.	Slide is animated so when you click the answer and explanation will be revealed.

Slide	Guide script	Notes
17 Myth 2: If something looks suspicious you have to stop the deal.	Next statement: If you identify suspicious behaviour, you have to stop the deal. True or false? *[Pause]* The answer is **false**. The AML/CTF regime doesn't automatically require you to stop transactions. Instead, you escalate matters internally. Your business's AML/CTF compliance officer assesses the matter and determines next steps and any reporting obligations. Now, the business itself may decide not to continue a transaction in some cases, but that's different from you personally 'shutting deals down'.	
18 Myth 3: Money laundering is low risk in real estate.	Next: I've never seen suspicious activity, so money laundering probably isn't a major issue in real estate. True or false? *[Pause]* The answer is **false**. One reason Australia introduced these reforms is because internationally, and in Australia's national risk assessment, property is widely recognised as a high-risk sector for money laundering. Additionally, as a reminder: Australia is one of only 5 countries in the world that historically did not regulate and extend AML/CTF obligations to real estate.	

Slide	Guide script	Notes
19 Myth 4: Reporting will cost me my commission.	Next: if I report something and it turns out to be money laundering, I'll lose my commission. True or false? *[Pause]* The answer is **false**. In most agency agreements commission is earned once contracts are exchanged. As long as: • you follow the processes set by your agency • act in accordance with the AML/CTF Act there is no **automatic** loss of commission simply because concerns were escalated or matters were reported.	

<table>
<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>20
Myth 5:
If AML/CTF information isn’t provided the deal can’t proceed.</td><td>Next:
If the customer refuses to provide AML/CTF information, the deal automatically can’t proceed.
True or False?
[Pause]
The answer is it depends.
If your own client refuses to provide required information the deal cannot proceed.
However, under the new AML/CTF Rules, there are provisions specifically for uncooperative counterparties.
As long as you have taken reasonable steps to conduct customer due diligence (CDD) and you have documented attempts to obtain required information, you may be deemed to have met your CDD obligations, and the deal can proceed.
However, this does NOT apply to your own client.
For example:
a selling agent may still proceed if the buyer is uncooperative; however,
a selling agent cannot proceed if their own seller refuses to comply.</td><td><u>Key teaching points</u>
Reasonable steps matter.
Counterparty vs own client distinction is critical.
Escalation remains important.
<u>Facilitator notes</u>
This slide can create confusion.
Slow down and explain clearly.
Reinforce “if unsure — escalate”.</td></tr>
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<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>21
Myth 6: AML/CTF will create a huge amount of work.</td><td>Next statement: these new AML/CTF requirements are going to create massive amounts of work.

True or false?

[Pause]

The answer is false (mostly)

Now, there are some new processes. But many AML/CTF behaviours are things you may already do:
verify identity
understand the transaction
notice inconsistencies.
The AML/CTF requirements extend existing frameworks and things you might already be doing under state and territory regulation and professional practice and experience.

And increasingly, regulatory technology – like some digital platforms many real estate agencies use – may automate much of this workflow.</td><td></td></tr>
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Slide	Guide script	Notes
22 Myth 7: Someone else should handle it.	Next statement: this shouldn’t be my responsibility — solicitors or someone else should handle it. True or false? *[Pause]* The answer is **false**. Real estate professionals have unique visibility into: • client behaviours and interactions • urgency • inconsistencies • transaction dynamics. You often see things that banks, solicitors or conveyancers never will. Real estate agents are one part of a larger AML/CTF intelligence framework that includes other sectors like solicitors, banks, conveyancers, pubs and clubs.	

Slide	Guide script	Notes
23 Myth 8: AML/CTF will slow down sales.	Next statement: These new requirements are going to slow down sales and listings. True or false? *[Pause]* The answer is **false**. You may be doing many of these things already. Most of these processes are designed to run alongside normal business workflows and will not inherently stop them. Increasingly, regulatory technology can streamline processes in integrated AML platforms for: • digital onboarding • automated ID verification. The goal is AML/CTF obligations in parallel with business, not as a roadblock. Note: these digital tools aren't endorsed by AUSTRAC. Businesses remain responsible for meeting their AML/CTF obligations, including ensuring appropriate customer due diligence and risk management processes are in place.	

Slide	Guide script	Notes
24 Myth 9: I have to ask intrusive questions.	Final one for this section: Under AML/CTF laws, I'll need to ask intrusive financial questions and request lots of documents early in the process. True or false? *[Pause]* The answer is **false**. Customer due diligence can be straightforward. At its core, you're generally trying to establish 2 things: • who the customer is • your customer's money laundering and terrorism financing risk. More detailed questioning like source of wealth or source of funds typically only occurs when a customer or transaction is assessed as high risk. So, this isn't about performing enhanced customer due diligence on every client. It's about applying a **risk-based** approach.	

Slide	Guide script	Notes
25 Money laundering in real estate	Now that we've busted some of the common myths, let's step back and look at why real estate is considered attractive for money laundering. The use of real estate is an established method of money laundering internationally and in Australia. Criminals buy high-value goods, such as real estate, as a way of laundering or concealing illicit funds. AUSTRAC has identified high-value goods, including real estate, to be a significant money laundering channel in Australia. Compared to other methods, money laundering through real estate – both residential and commercial – can be relatively uncomplicated, requiring little planning or expertise. **Why?** Because property has several features criminals like: • high-value transactions • stable assets • the ability to hide ownership • the ability to move large amounts of money in ways that can appear legitimate. Compared to some other laundering methods, property transactions can actually be relatively uncomplicated.	
26 Would you know?	So, here's the big question… Would you actually know if money laundering was occurring in one of your transactions? That's exactly what we're about to explore in our next activity.	

Slide	Guide script	Notes
27 Activity 2: Guess who?	We're now moving into Activity 2: Guess who? You'll be working through a series of evolving scenarios involving different clients and property transactions. As new information emerges, your job is simply to ask: 'Does anything feel unusual or not quite add up?' Then guess who you think might be involved in money laundering.	Refer to handouts – activity 2.
28 How Guess who works	Here's how the activity works. You'll work in teams of 2–3 people. You'll be introduced to 3 different clients involved in property transactions. As we move through the activity: • new information will be revealed in rounds • your opinions may change as more context emerges. Your role is ***not*** to investigate or prove anything. Your role is simply to: • discuss what feels normal versus unusual • note anything that doesn't quite add up • start forming a view about where risk may exist. And importantly you should be prepared to change your mind as new information appears. That's very realistic to how transactions work in practice.	<u>Activity instructions</u> • Split participants into groups of 2-3. • Hand out worksheets/post-it notes. • Encourage notetaking during rounds. <u>Facilitator notes</u> Encourage discussion and debate.
29 Meet the clients	Here are your 3 clients: *[Choose one of the 3 packs for the group.]* At this stage, don't overthink it. Just read the information carefully, observe the details, and note anything that stands out — either positively or negatively. Let's get started with Round 1.	Choose one of the 3 packs for the group.

<table>
<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>30
Round 1</td><td>Round 1 gives you your first interaction with each client. As you read through these scenarios, think about:
• What feels normal?
• What feels slightly unusual?
• What assumptions are you making?
• What information would you want to know next?</td><td><u>Activity instructions</u>
Give participants 1-2min to review information and discuss in their group.</td></tr>
<tr><td>31
Group discussion 1</td><td>What's your initial reaction here?
Prompt
Who feels completely normal?
Who stands out?
What questions would you ask?
What assumptions are you making already?</td><td><u>Activity instructions</u>
• Quick 1-2min group discussion.
• Circulate around room.
Encourage people to participate.</td></tr>
</table>

Slide	Guide script	Notes
32 Round 2	Now we move into Round 2. You're about to receive more information. As often happens in real transactions, new details begin to emerge over time. As you read: • notice whether your views change • think about what feels commercially normal • ask yourself whether anything now deserves closer attention.	<u>Key teaching points</u> • Risk often emerges gradually. • Context matters. • Behaviour patterns are important. <u>Facilitator notes</u> • Allow uncertainty. • Don't rush discussion. Encourage participants to revise earlier assumptions.
33 Group discussion 2	Take another 2 minutes in your groups and discuss whether this is normal…or is there something to note? *Prompt* At this stage: • Are any patterns emerging? • Has your thinking changed? • Are there behaviours that deserve more attention? Or are these still completely normal transactions?	<u>Activity instructions</u> • Start 2 min timer. • Encourage groups to present their observations. Ask groups to identify: • what changed • why it changed • what information they'd want next.

Slide	Guide script	Notes
34 Round 3	We're now moving into Round 3. As you read: • Think about whether concerns are increasing or decreasing. • Consider whether there are inconsistencies emerging. • Ask yourself: if this was a real transaction, would you want additional information or support?	
35 Group discussion 3	Let's take another 2 minutes and discuss: What are you thinking now? You might discuss: • Has your view changed? • Which details now feel important? • Are there any patterns emerging? • What would you want clarified?	<u>Activity instructions</u> • Start timer. • Encourage participants to refer back to earlier rounds. Ask groups to compare: • individual behaviours. • patterns over time.

Slide	Guide script	Notes
36 Round 4	We'll now move into the final round. At this stage, you're getting a more complete picture of each transaction. This is very realistic to how these things work in practice.	
37 Group discussion 4	So, what do you think? *Prompt* At this point: • Which transactions concern you most? • Why? • What behaviours or patterns influenced your thinking? What would you actually do next if this was a real client?	<u>Activity instructions</u> • Encourage group to discuss. • Ask the participants to guess who.
38 Group debrief discussion	Let's debrief the activity together. I'd like to hear: • What stood out to you? • At what point did something start to feel 'off'? • Did your views change as more information emerged? • Were there behaviours that seemed normal individually, but unusual together? • What would you do if this was a real client?	<u>Key teaching point</u> Risk often emerges over time.

Slide	Guide script	Notes
39 Case studies reveal	So now let's reveal the answer. For Pack 1 - Two out of the 3 scenarios in this activity were inspired by real-world money laundering cases. These were Daniel and Samira – we'll look at these cases in a moment. What you didn't know about Mick is that his mum recently passed away and he was the sole beneficiary of her estate (hence why he didn't need finance). Plus, he does have a criminal record for DUI and is naturally suspicious about people asking him for personal information. For Pack 2 - All 3 of these cases were inspired by real-world money laundering cases. For Pack 3 - All 3 of these cases were inspired by real-world money laundering cases.	
40 Case study	Let's review each case study. *[Get a participant to read out the case study]*	Refer to handouts – Guess Who activity
41 Case study debrief	Let's have a quick discussion. • What stood out to you in these scenarios? • Have you come across transactions like this before? • Did you guess correctly?	<u>Key teaching point</u> The important thing here is the goal wasn't necessarily to make a profit. The goal was to **move and legitimise money**.

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<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>42
Key takeaways</td><td>Before we move into Module 2, let’s summarise the key takeaways from this section.
First: you are not an investigator. Your role is:
ask questions
follow processes set within your agency
notice inconsistencies
escalate matters appropriately.
Second: real estate professionals are one part of a larger AML/CTF intelligence framework. You aren’t expected to solve crimes.
Third: real estate is an established money laundering channel both internationally and in Australia.</td><td></td></tr>
<tr><td>43
Questions</td><td>Before we move into Module 2, does anyone have any questions or reflections from the first section?
[Pause and discuss]
Great — let’s now move into Module 2, where we’ll start unpacking exactly what you need to do in practice.</td><td></td></tr>
<tr><td colspan="3">Module 2</td></tr>
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Slide	Guide script	Notes
44 Module 2 title slide	Module 2 is where we move from understanding why AML/CTF matters into what you actually need to do in practice. This module is more practical and process-focused.	
45 Reminder: why we are here	Before we jump into the detail, it's important to quickly remind ourselves why these reforms exist. From 1 July 2026, the real estate industry became regulated under Australia's AML/CTF framework for certain services they provide. These reforms are part of broader national efforts to combat: • money laundering • terrorism financing • proliferation financing • other serious crime. Importantly these obligations already exist across many other industries. Real estate is now joining that broader framework.	

Slide	Guide script	Notes
46 Module 2 outcomes	This module is broken into 4 parts. • Part 1: AML/CTF 101 and agent responsibilities. • Part 2: Customer due diligence — or CDD — in practice. • Part 3: Risks and indicators. • And finally, Part 4: CDD Timing — what to do and when. By the end of this module, participants should have a clear understanding of: • What's expected of frontline real estate professionals • how onboarding and customer due diligence works • what actions to take when risks arise.	
47 Part 1: AML/CTF 101 and agent responsibilities	We'll start with the foundations: What AML/CTF actually is, and what your role is within the framework. One thing we want to avoid is people seeing the reforms as: • mysterious • overly legal • impossible to understand. At its core AML/CTF obligations are really about understanding who your customer is, understanding the transaction, and recognising when something doesn't add up.	

Slide	Guide script	Notes
48 What is AML/CTF?	Let's simplify the terminology first. AML stands for anti-money laundering - these are laws and processes designed to stop criminals from hiding money made through illegal activity. CTF stands for counter-terrorism financing - these measures are designed to prevent money being used to support terrorism. Now for most real estate professionals, the overwhelming focus in practice will be on money laundering rather than terrorism financing. But legally, the framework covers both.	

Slide	Guide script	Notes
49 Why criminals launder money	So why do criminals launder money in the first place? The simple answer is they can't openly use large amounts of illegal money without attracting attention. Money laundering is the process of making illegal money appear legitimate. Traditionally, money laundering is described in 3 stages. **Stage 1 – Placement** This is where illicit money first enters the financial system. For example: • cash deposits • business revenue • property purchases. **Stage 2 – Layering** This is where criminals try to separate the money from its illegal source. This may involve: • multiple transactions • companies • trusts • third parties • property transactions. **Stage 3 – Integration** This is the final stage where the money re-enters the economy appearing legitimate. For example: • property sale profits • rental income • business income • apparently legitimate wealth.	

Slide	Guide script	Notes
50 Why real estate is attractive for money laundering	Real estate has several features that make it attractive to criminals. Property transactions: • involve large amounts of money • can increase in value over time • create the appearance of legitimate wealth • can be structured through trusts, companies or third parties. Property can also: • store wealth • move money • hide beneficial ownership.	

Slide	Guide script	Notes
51 Common money laundering methods in real estate	AUSTRAC has identified 10 common laundering methods involving real estate. You don't need to memorise every one of these today. The important thing is understanding there are many ways property can be used to move and disguise money. We'll talk through each of these methods in a moment, but the 10 common methods are: • the use of third parties • the use of loans and mortgages • manipulating property values • structured cash deposits • fake rental income • property used for criminal activity • renovations and improvements • shell companies and trusts • professional facilitators or gatekeepers • overseas investment structures.	

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<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>52
Method 1: use of third parties</td><td>The first common laundering method is the use of third parties.
This occurs when property is purchased to hide who really controls or owns the asset by using:
• family members
• associates
• nominees
• other third parties.
This creates distance between the criminal and the transaction.
For example:
• a parent buying on behalf of someone else
• a cousin appearing on contracts
• someone speaking on behalf of the buyer without clear explanation.</td><td></td></tr>
<tr><td>53
Method 2: use of loans and mortgages</td><td>The second common laundering method involves loans and mortgages.
At first glance, loans can make transactions appear legitimate because they involve banks and formal lending processes.
But criminals may repay loans using illicit cash, create fake loan arrangements or borrow money from companies they secretly control.
This allows illegal money to move through what appears to be a normal financial process. For example, someone may take out a mortgage legitimately but then rapidly pay down large amounts of the loan using unexplained cash.</td><td></td></tr>
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Slide	Guide script	Notes
54 Method 3: manipulation of property values	This method involves deliberately buying or selling property above or below market value. Examples may include: • hidden cash payments outside contracts • inflated valuations • or rapid property resales at increasing prices. The goal is often to disguise illicit money as legitimate profit. For example: a property might be sold well below market value officially, while additional money changes hands privately outside the contract.	
55 Method 4: structuring of cash deposits	In this method large amounts of cash are broken into many smaller deposits often below reporting thresholds to avoid attracting attention. Those smaller amounts are then used to help fund property purchases. For example: instead of depositing $100,000 at once, someone may deposit smaller amounts over time across multiple branches or accounts.	
56 Method 5: rental income to legitimise funds	This method uses rental income to make illegal money appear legitimate. Examples include: • fake rental payments • paying rent to themselves through third parties • mixing illegal funds with genuine funds. On paper, it may simply appear that a property is generating strong rental returns, but the funds themselves may not actually come from legitimate tenants.	

Slide	Guide script	Notes
57 Method 6: property used for criminal activity	In some cases, property itself is purchased to support criminal activity. For example: • drug production • storage of illicit goods • other illegal operations. Profits from those activities may then be reinvested into additional properties.	
58 Method 7: renovations and property improvements	This method involves using illicit funds to pay for renovations or improvements. The property may then be sold at a higher value, helping disguise illegal money as legitimate profit. For example, large renovations may occur with: • limited documentation • unexplained cash payments • unclear commercial reasoning.	

Slide	Guide script	Notes
59 Method 8: companies, trusts and complex structures	Another common laundering method involves companies, trusts and complex ownership structures. These may include: • shell companies • layered trusts • offshore entities • complicated ownership arrangements. These structures can make it difficult to identify who actually controls or benefits from the property.	
60 Method 9: professional facilitators ('gatekeepers')	This method involves the use of professionals, sometimes knowingly, sometimes unknowingly to help facilitate transactions. These professionals can include: • accountants • lawyers • brokers • real estate professionals.	

<table>
<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>61
Method 10: overseas criminal investment</td><td>The final common method involves overseas-based criminals investing in Australian property.
This can involve:
• overseas accounts
• third-party buyers
• complex ownership structures.
The goal is often to move money internationally, hide assets or protect wealth from authorities in another country.</td><td></td></tr>
<tr><td>62
Key takeaways</td><td>So, before we move onto customer due diligence, let’s pause and summarise the key messages from this section.
First: money laundering does happen in Australia, including in the real estate sector.
Second: you’re not an investigator. Your role is to:
• notice concerns
• follow processes set within your business
• escalate appropriately.
Third: illicit deals are designed to look legitimate. Contracts, clients, loans and transactions may appear completely normal. Fourth it’s about patterns not one single red flag.
And finally, you’re part of a much bigger system.
We’ll now move into one of the most practical parts of the training: customer due diligence or CDD and what that actually looks like in practice.</td><td></td></tr>
</table>

Slide	Guide script	Notes
63 What is the role of a frontline real estate professional?	So, after everything we've covered so far, let's simplify this down to one important question: What is actually expected of frontline real estate professionals? Frontline professionals play an important role in helping identify and respond to potential money laundering risks during property transactions. But importantly your role is **not** to investigate crime, make legal decisions or determine guilt. Your role is to follow the process set by your agency, collect required information and recognise when something doesn't add up.	

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<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>64
Key responsibilities of frontline real estate professionals</td><td>To help simplify the frontline real estate professional role, we use the acronym SAFE. The goal is to make sure your deal is SAFE.

S – Spot when something doesn’t add up. For example:
• inconsistencies
• changing stories
• unusual behaviour
• unclear ownership.

A – Ask questions and gather required information. This includes:
• onboarding information
• identification
• transaction details.

F – Follow the business process and complete customer due diligence requirements.

E – Escalate: if concerns arise, raise them internally with your AML/CTF compliance officer.</td><td></td></tr>
<tr><td>65
Your agency has a risk appetite</td><td>So far, we’ve talked about risk, how money laundering occurs through property transactions, what types of risks may exist and the role you play in identifying when something doesn’t add up.

Your agency’s AML/CTF program helps define what level of risk the business is willing to accept and how those risks should be managed.

Next, we’re going to look at customer due diligence (CDD) which is one of the key processes used to help evaluate the risk of a customer and transaction.

This is where we move from understanding risk in theory to understanding what you need to do in practice.</td><td></td></tr>
</table>

Slide	Guide script	Notes
66 Part 2: Customer due diligence (CDD) in practice	CDD is a process you'll interact with most directly in day-to-day work. The good news is much of this will feel familiar because many agencies already do parts of this informally today.	
67 What is customer due diligence (CDD)?	So, what does CDD actually involve in practice? CDD is the process of: • understanding who your client is • verifying their identity • assessing potential ML/TF risk • monitoring for unusual activity over time. Customer due diligence is one of the core activities within the AML/CTF regime.	

Slide	Guide script	Notes
68 Why does CDD matter?	So why is customer due diligence so important? CDD helps businesses: • confirm clients are who they say they are • understand who is involved in the transaction • identify and manage potential ML/TF risks • and detect unusual behaviour early. But importantly CDD isn't just about compliance. It also helps protect: • your community • your business • the property market • the broader financial system.	<u>Key teaching point</u> Good CDD protects both businesses and communities.

Slide	Guide script	Notes
69 The 3 core parts of CDD	Customer due diligence can be simplified into 3 core steps: 1. identify 2. verify 3. monitor. **1. Identify** This means collecting information about the client and understanding who is involved in the transaction. Examples: • name • date of birth • address • company or trust details. **2. Verify** This means checking the information is genuine using reliable documents or systems. Examples: • driver licences • passports • company searches • electronic verification tools. **3. Monitor** This means continuing to assess the transaction over time for unusual behaviour or changing risks. Examples: • unusual payment arrangements • changing ownership structures • inconsistent information.	

Slide	Guide script	Notes
70 The types of customer due diligence (CDD)	CDD is risk-based. That means the level of due diligence depends on the level of risk associated with the customer or transaction. There are 3 main types of CDD: • initial CDD • ongoing CDD • enhanced CDD. Within initial and ongoing CDD some lower-risk situations may allow for simplified CDD.	
71 Initial CDD	Initial CDD occurs at the start of the client relationship, **before** providing services. The sooner you receive the onboarding information from your client, the better – as I said, your checks have to be done **before** providing the service to your client. The purpose is to confirm: • who the client is • who is involved in the transaction • whether any risks are present. This may include: • collecting identification • verifying identity • understanding ownership structures	Key teaching point Initial CDD forms the foundation of the onboarding process. Facilitator notes Reinforce that this is the most common CDD stage participants will perform directly.

Slide	Guide script	Notes
72 Simplified CDD	In some lower-risk situations businesses may apply simplified CDD provided their AML/CTF program allows it. Simplified CDD means reduced checks based on lower assessed risk. Examples may include: • straightforward ownership structures • low-risk clients • or lower-risk transactions. But importantly simplified CDD does ***not*** mean **no** checks. It simply means the level of checking is proportionate to the level of risk.	
73 Ongoing CDD	We've covered initial and simplified CDD, the next type is ongoing CDD. Ongoing CDD means continuing to monitor the client and transaction over time. Why? Because risk can change during a transaction, just as we saw in the 'Guess who?' activity from earlier.	

Slide	Guide script	Notes
74 Enhanced CDD	The final type of CDD is enhanced CDD. Enhanced CDD applies when higher ML/TF risk is identified or where there are specific triggers. This may include: • complex ownership structures • high-risk jurisdictions • unusually large or complex transactions • inconsistent information • dealing with foreign or high-risk domestic politically exposed persons, also known as PEPs. Enhanced CDD may involve: • additional documentation • more detailed questioning • involvement from your AML/CTF compliance officer. Foreign PEPs and certain people from high-risk jurisdictions must have their source of wealth or source of funds checked.	Facilitator notes Reinforce higher risk does **not** automatically mean criminal activity.

Slide	Guide script	Notes
75 Activity 2: completing initial customer due diligence (CDD)	We're now going to move into a practical activity where you'll complete an initial CDD assessment. This activity is designed to simulate the type of onboarding, and initial CDD process agencies may complete. The goal is to help you understand: • what information needs to be collected • how initial CDD works in practice • how risk ratings are determined • when escalation may or may not be required. You'll work in pairs and complete: • a customer risk rating • identity verification • PEP and sanctions checks • final onboarding decisions.	

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<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>76
Before we start</td><td>Before we begin, there’s one important thing to explain. For training purposes, we’re intentionally working through this process manually using forms and supporting documents.
We’re doing this from a first principles approach so you can better understand:
the key components of CDD
how risk assessments are made
what information needs to be collected
when escalation may be required.
In practice, many agencies may use regulatory technology like:
digital AML compliance platforms
automated ID verification tools
integrated onboarding systems.
These systems can make the process fast once client information has been collected. But remember, it’s still your responsibility to ensure these processes happen.</td><td></td></tr>
<tr><td>77
Real Estate Program Starter Kit</td><td>The forms used in this activity have been adapted from AUSTRAC’s real estate program starter kit.
These starter kits are designed to provide practical guidance and templates for businesses implementing AML/CTF obligations. The starter kit is designed for small real estate and buyer’s agencies with specific characteristics. Larger businesses can still use the kits as a source of information but cannot rely on them alone.</td><td></td></tr>
</table>

Slide	Guide script	Notes
78 Scenario	Let's look at the scenario. You're the selling agent for a residential property. A buyer, Andrew Smith, has made a successful off-market offer of $1 million and contracts have been exchanged. Working in pairs, you now need to complete initial customer due diligence on a buyer before settlement. Andrew has provided a completed onboarding form and a driver licence for identity verification. Your task is to complete the initial CDD form using the information provided.	Facilitator notes Hand out onboarding form and initial CDD form and worksheet. Allow participants time to familiarise themselves with materials.

Slide	Guide script	Notes
79 Step 1: risk rating	The first step is completing the money laundering and terrorism financing risk rating section. You'll review the onboarding information and assess whether any risk indicators are present. Answer the Yes or No questions and assign an initial money laundering and terrorism financing risk rating.	
80 Step 2: identity verification	The next step is identity verification. Using the onboarding form and mock driver licence, you now need to verify the customer's identity. You should check: • Does the ID match the onboarding form? • Does the photo appear to match the client? • Are there any discrepancies? • Does the document appear valid? You'll then record: • document type • unique identifier • expiry date • any concerns identified.	

Slide	Guide script	Notes
81 Do the address details match?	So...did anyone notice the address discrepancy? The address on the onboarding form doesn't match the address on the driver licence. *[Pause for discussion]* So, let's continue our example. Andrew explains this was simply a mistake. He says he was travelling to Sydney at the time and accidentally wrote the wrong address. Andrew provides a copy of his utility bill and you're satisfied with his explanation.	<u>Facilitator discussion questions</u> Ask participants: • Does this explanation seem reasonable? • Does this automatically make the transaction suspicious? • What should the agent do? • Should this be documented? • Does this change the risk rating? <u>Key teaching point</u> One inconsistency alone doesn't automatically mean criminal activity. But inconsistencies should be considered, clarified and potentially escalated if that's appropriate. There are some lone indicators that must be reported, such as a suspicion on reasonable grounds that a person isn't who they say they are.

Slide	Guide script	Notes
82 Step 3: sanctions and politically exposed person (PEP) checks	The next step is sanctions and politically exposed person or PEP checks. This is designed to identify whether the customer: • appears on sanctions lists • is considered a politically exposed person. For this scenario: You conduct an online search about Andrew and cannot find anything that suggest he is a PEP. You check the sanctions list, there are no sanctions concerns identified. However, it's important to understand why these checks exist because in higher-risk transactions, they can significantly affect the overall risk assessment which then determine if additional checks need to be conducted. Before we continue the activity, let's quickly unpack what a PEP actually is.	
83 What is a politically exposed person (PEP)?	A PEP is someone who currently holds or has previously held a prominent public position that may place them at higher risk of corruption, bribery or misuse of public funds. Being a PEP doesn't mean someone has done anything wrong. It simply means additional scrutiny and due diligence may be required under Australia's AML/CTF laws.	

Slide	Guide script	Notes
84 Examples of PEPs	A PEP may include people such as: • senior politicians • members of parliament • senior government officials • judges • senior military officials • executives of state-owned enterprises • senior political party officials. PEPs can be Australia-based or foreign. The reason PEPs are treated differently is because, as mentioned earlier, certain public positions can create increased corruption or influence risks. This worksheet here has the definitions *(refer to handout)*.	
85 PEP quiz introduction	We're now going to do a quick interactive exercise. I'll show you several people and I'd like you to say if they are likely be considered a PEP.	

Slide	Guide script	Notes
86 Justice Dina Yehia	So, would a NSW Supreme Court Justice likely be considered a PEP? *[Pause]* Yes, a senior judge is considered a PEP because of the senior public position they hold.	Responses can be a group discussion Slides have transitions Key teaching point PEPs aren't just politicians. They can also include: • judges • senior public officials • other influential public office holders.
87 David Pocock	What about former Wallaby David Pocock? *[Pause]* This one is interesting. David Pocock when he was a former Wallaby player was **not** a PEP. But David Pocock after becoming a senator is now considered a PEP.	Key teaching point PEP status is linked to the public role, not fame or celebrity.
88 Mike Cannon-Brookes	So, what about CEO Mike Cannon-Brookes? *[Pause]* Despite being a high-profile business leader, he's not automatically considered a PEP.	Key teaching point Being wealthy, famous or influential in business doesn't automatically make someone a PEP.

Slide	Guide script	Notes
89 Step 3: sanctions and PEP checks	Let’s returning to our activity. The next step is completing sanctions screening and the PEP check. You’ll now complete the sanctions section, record the search terms used, note the date of checks and record whether the customer is identified as a PEP. However, Andrew is a fictitious person, so we’ll need to look at a real-life example.	Facilitator notes Explain that businesses may be using AML/CTF software or automated screening systems. Participants are learning the logic behind the process of those software/systems.

Slide	Guide script	Notes
90 Quick exercise	In this scenario our client Andrew is fictitious, so he isn't going to appear on any PEP or sanctions checks. So, let's do a quick exercise with a real person whose name is Alexander Kogan and who is a Russian national. Firstly, we are going to do a PEP check by doing an internet search. Using your phone or laptop use 'Alexander Kogan Russia Politician' as the search terms and tell me if you think he is a PEP. *[Pause to give participants time to do the search]* What did you find? You should find information that he's a prominent Russian politician and a deputy of the 8th State Duma of the Russian Federation. Therefore, he's a PEP. Next, we are going to check the sanctions list. Again, using your laptop or phone search for "Australian Sanctions Consolidated List" and you should find this page you can see on the screen – if not you can use the QR code to take you to the page. Then, go to the section 'How do I access the Consolidated List?' and click on the link with an Excel document called 'Australian Sanctions Consolidated List [XLSX 1 MB]'. This will open a spreadsheet which is updated regularly. Search for Alexander to see if he is on the list – you need to check using both ways of spelling his name. *[Give participants time to do the search]* You will see he is on the sanctions list.	

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<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>91
Step 4: nature and purpose of the transaction</td><td>Moving back to our activity; the next step is assessing the nature and purpose of Andrew's transaction. This is about asking does the transaction make sense?
You should think about:
• Does the transaction appear legitimate?
• Does the customer's explanation make sense?
• Does their behaviour align with the transaction?
Go ahead and complete the 'Nature and Purpose of Transaction' section in the form.</td><td></td></tr>
<tr><td>92
Step 5: final checks and risk rating</td><td>We've now reached the final stage of the onboarding process.
This is where you review:
• identity checks
• customer legitimacy
• transaction purpose
• sanctions and PEP results
• overall ML/TF risk.
You now need to determine:
• Is escalation required?
• Can the transaction proceed?
You'll now complete the final risk rating, document your reasoning and complete the sign-off section.</td><td><u>Facilitator notes</u>
Encourage participants to explain their reasoning.
Walk around and ask 'Why did you choose that rating?'
Ask participants:
• Did anyone identify any major concerns?
• Did the address discrepancy change your view?
• Would anyone escalate this transaction?
• Why or why not?</td></tr>
</table>

Slide	Guide script	Notes
93 Discussion	Let's debrief the activity together. This scenario was intentionally designed as a straightforward **low-risk** onboarding example. The expected outcome for this activity is: • a low-risk customer • initial CDD completed successfully • no escalation required. In the next section, we'll now look at what happens when new information changes the risk profile of a transaction.	
94 But sometimes things change	So far, this transaction has appeared relatively straightforward and low risk. But one of the key principles we've seen in the AML/CTF regime is that risk can change throughout a transaction. In our example, 3 weeks before settlement, Andrew contacts you and advises he would like to pay part of the remaining balance using Bitcoin. Andrew explains he recently made gains through cryptocurrency investments, and he wants to use some of those funds toward the purchase. The rest of the transaction will still proceed through his Westpac loan and electronic transfer.	<u>Key teaching point</u> The important learning point here is how new information can change the overall ML/TF risk profile of a transaction.
95 Your task	Your task now is to reassess the initial CDD form you previously completed. You need to decide does this new information change the ML/TF risk assessment? Working in pairs, review: the original risk rating, the final onboarding checks, the final risk assessment and whether escalation is now required.	

Slide	Guide script	Notes
96 Discussion	Let's discuss what changed here. **Question 1:** Has a new ML/TF risk factor emerged? *[Pause]* In many agency AML/CTF programs, cryptocurrency would typically be considered a higher-risk payment method. **Question 2**: Does the customer risk rating change? Should Andrew still be considered: low, medium or high risk? *[Pause]* Based on the risk rating section questionnaire this transaction would now be considered high risk. **Question 3**: Is escalation required? Would this now require escalation to the AML/CTF compliance officer? Yes, you would most likely escalate this matter. **Question 4**: Can the sale still proceed? *[Pause]* The answer depends on your agency's risk appetite we discussed earlier. If your business is willing to accept this amount of Bitcoin, then the deal can proceed. Some businesses may choose not to go ahead with it.	
97 Important note	This activity was designed to take you through a **very basic** straight-forward example. In practice, not all clients will be this straightforward because CDD applies to more than just individuals and the risk profile of each of your clients may vary. However, the key steps are the same. For complex matters you may have more people to verify (for example, directors of companies) or conduct additional checks.	

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<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>98
CDD for different client types</td><td>So far, our activity has focused on an individual buyer. But customer due diligence applies much more broadly than that. CDD applies to all kinds of clients including:
individuals or sole traders
businesses, partnerships, associations
trusts and government bodies.
The overall process remains broadly the same — but some customer types require additional checks.

This may include:
verifying directors
identifying beneficial owners
confirming trust structures
verifying authority to act.</td><td></td></tr>
<tr><td>99
Third party representatives</td><td>In some transactions someone may act on behalf of the customer. For example, an accountant, solicitor, family member or business representative.

In these situations, you may also need to verify the representative’s identity, confirm their authority to act and understand their relationship to the customer.</td><td></td></tr>
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Slide	Guide script	Notes
100 Regulatory technology: digital solutions	Many digital AML/CTF solutions are designed to streamline the process. These systems may include: • mobile onboarding • digital ID verification • automated sanctions and PEP checks • integrated risk questionnaires. It's important to remember that even if you are using a digital tool that you and your business remain responsible for meeting obligations, conducting appropriate due diligence and managing ML/TF risk.	<u>Key teaching point</u> Technology can **support** compliance with legislation but it doesn't replace professional responsibility.
101 Activity: practice using your agency's digital solution	If your agency already uses an AML/CTF digital solution, this is a good opportunity to practice completing initial customer due diligence using your own system. Using the Andrew scenario from earlier, within your platform: • practice onboarding the client • completing identity checks • recording the risk assessment.	

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<tr><th>Slide</th><th>Guide script</th><th>Notes</th></tr>
<tr><td>102
Reliance on CDD by others</td><td>So far, we’ve talked about collecting onboarding information and CDD ourselves.

But in real life, property transactions often involve multiple professionals. For example:
banks
conveyancers
solicitors
buyer’s agents.
Many of these businesses may also be collecting similar information from the same customer. Because of this, AML/CTF laws include provisions that may allow businesses to rely on CDD information collected by others.

The goal here is to reduce duplication for customers while still managing risk appropriately.</td><td></td></tr>
<tr><td>103
Ongoing vs case -by-case</td><td>There are generally 2 ways reliance may work. The first is through an ongoing arrangement.

For example, your agency may regularly work with the same conveyancer or buyer’s agent and have an agreed process in place for sharing information.

The second is making decisions on a case-by-case basis.

The important point is if you rely on someone else’s information, you still need confidence that:
you can access the information when needed
records can be obtained quickly
responsibilities are clear.</td><td></td></tr>
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Slide	Guide script	Notes
104 You can rely on CDD by others but…	This slide contains probably the most important message in this section. Yes, you may be able to rely on information collected by others. This includes information like: • name • date of birth • address • ID details • transaction information • financing information • PEP questions. However, you still need to complete CDD in line with your own agency policies. **You** are still responsible for assessing risk, determining whether information makes sense and deciding whether additional information about the client or the counterparty is required.	<u>Key teaching point</u> You can rely on information, but you can't outsource responsibility. Show example form included in pack.
105 When can you rely on CDD by others?	There are some conditions that need to be satisfied before relying on another party. You need confidence that: • the other party is regulated by AUSTRAC or an equivalent overseas counterpart • the arrangement is appropriate and risk-based • the information is accurate and reliable • you can access it when required • privacy requirements are being met. The simplest way to think about this is would you feel comfortable explaining why you relied on this information if someone asked later?	

Slide	Guide script	Notes
106 Example: reliance on a buyer's agent	Let's walk through a practical example. In this scenario: For their client, a buyer's agent has already: • collected onboarding information • verified identity • completed Initial CDD. Your agency regularly works with this buyer's agent and is comfortable with their processes. The first step is that you check whether your agency has a written agreement allowing you to rely on information from the buyer's agency. You send a 'Request to verify information' form to the buyer's agent who completes and returns the form and customer information to you. You review the: • customer profile • information provided • transaction risk. So rather than repeating the process, you rely on the information already collected. The important point here is you still assess whether reliance was appropriate.	Give learners a chance to read the slide then refer to script and summarise.
107 Reliance does not remove responsibility	This final slide brings everything together. Even when relying on another party, you're still responsible for assessing customer risk, determining whether reliance is appropriate, completing ongoing monitoring and documenting your reasoning. The easiest way to remember this is: • You can share information when it's appropriate. • You cannot outsource accountability.	

Slide	Guide script	Notes
108 Key takeaways	So, before we move into risks and indicators, let's pause and summarise the key takeaways from this section. First: CDD is a core part of the AML/CTF regime. Second, your role is to: • follow processes set within your agency • collect and verify information • identify when something doesn't add up • escalate concerns when required. Importantly, you aren't expected to investigate or prove criminal activity. And finally, ML/TF risk can change throughout a transaction.	
109 Key takeaways - continued	A few final reminders before we move on. Ongoing monitoring matters even after initial CDD has been completed. Escalation is part of the process not an accusation of criminal behaviour. Frontline real estate professionals will: • identify concerns • escalate risky matters. The compliance officer then decides whether: • further action is required • reporting obligations apply. And if you're ever unsure ask your AML/CTF compliance officer.	

Slide	Guide script	Notes
110 Part 3: risks and indicators	We'll now move into Part 3 risks and indicators. This section is all about helping you recognise behaviours, inconsistencies and transaction patterns that may increase ML/TF risk. And importantly we're not looking for 'proof of crime'. We're looking for patterns, inconsistencies and things that don't quite add up. In this next section, we'll explore some of the common indicators you may encounter in practice.	
111 The 4 core risk areas	So far, we've looked at how money laundering works and what customer due diligence involves. We'll now shift into recognising risk and indicators in practice. AUSTRAC generally groups ML/TF risk into 4 core areas: • customer risk • service or transaction risk • delivery channel risk • foreign jurisdiction risk. A simple way to remember these is: Who –What – How – Where. **Who** is customer risk. **What** is transaction risk. **How** is delivery channel risk. **Where** is jurisdiction risk.	

Slide	Guide script	Notes
112 Customer risk	The first category is customer risk. This focuses on **who** the person or entity is. When assessing customer risk, ask yourself: 'Does this client's behaviour, background or structure make sense?' Customer risk may increase when: • you don't clearly understand who they are • their story doesn't match their profile • they appear to be staying hidden or distant. In simple terms: does this person make sense as the buyer or seller in this deal?	
113 Activity: customer risk	We'll now do a short activity using the quick reference guide. Working in pairs, review the customer risk section and discuss have you ever encountered any of these indicators in practice?	<u>Facilitator notes</u> Keep activity conversational. Goal is familiarity and reflection. Encourage practical examples without naming real clients.
114 Service/ transaction risk	The second category is service or transaction risk. This focuses on the deal itself. When assessing transaction risk, ask: 'Does this deal make sense?' Risk may increase when money flow is unusual or unclear, the transaction is rushed, the structure is unnecessarily complex or there's no obvious commercial reason for how the deal is arranged. In simple terms: does the deal itself add up?	

Slide	Guide script	Notes
115 Activity: Service/ transaction risk	Again, working in pairs, review the service and transaction risk section of the quick reference guide. Discuss: have you encountered any of these indicators or behaviours before?	<u>Facilitator notes</u> Encourage participants to think broadly: rushed settlements, unusual funding structures, unexplained urgency, complicated ownership structures.
116 Delivery channel risk	The third category is delivery channel risk. This is about how the client interacts with you and how the transaction is being conducted. Ask yourself: 'Why is this being done this way?' Risk may increase when: • the client avoids face-to-face contact • intermediaries control communication • communication is unusually limited or controlled. In simple terms: are they trying to avoid being seen or identified?	
117 Activity: delivery channel risk	Working in pairs, review the delivery channel risk section of the quick reference guide. Discuss: have you encountered situations where communication methods or intermediaries increased concern?	<u>Facilitator notes</u> Encourage discussion around: • remote-only communication • refusal to meet • excessive use of representatives • restricted contact with client.

Slide	Guide script	Notes
118 Foreign jurisdiction risk	The fourth category is foreign jurisdiction risk. This relates to where money, clients or transaction structures are coming from. It's also about the client's country of residence. Ask yourself: ' Is this deal higher risk because of where the money comes from?' Risk may increase where: • funds come from high-risk jurisdictions • transactions involve complex international transfers • there's exposure to corruption or organised crime environments. In simple terms: Is this deal higher risk because of where the money comes from?	
119 Activity: foreign jurisdiction risk	Working in pairs, review the Foreign Jurisdiction Risk section of the Quick Reference Guide. Discuss: have you encountered any examples of these risks or indicators in practice?	Facilitator notes Encourage discussion around: • overseas fund transfers • offshore ownership structures • cross-border transactions • difficulty understanding source of funds.
120 What to do	After looking at all these indicators, what should you do if you notice something unusual? Importantly, you are not expected to investigate. Your role is to: • recognise unusual behaviour or higher-risk scenarios • ask reasonable questions • follow your agency's AML/CTF processes • escalate matters internally when required.	

Slide	Guide script	Notes
121 Part 4: CDD timing – what to do and when	We've now covered how to identify risk and how to manage AML/CTF conversations. The final part of this module focuses on something very practical timing. One of the biggest questions frontline real estate professionals ask is: 'What exactly do I need to do and when?'	
122 When must initial CDD be completed?	The timing requirements differ depending on whether you are dealing with your own client or the counterparty. For your own client, for example where they're a seller for a listing agent or a buyer for a buyer's agent, CDD must be completed ***before*** providing services. You must identify and verify your client before acting for them. For the counterparty, for example the purchaser in a sales transaction when you're a seller's agent: CDD must be completed within 28 days of exchange of contracts OR 3 days before the initially agreed date of settlement, whichever comes first. There's also an important exception: sanctions checks should be completed as soon as practical once onboarding information is received. This is because if a sanctions check is positive, the business cannot legally continue providing the service.	
123 Questions	Before we move into the final module, let's pause for questions.	
Module 3		

Slide	Guide script	Notes
124 Module 3: AML/CTF in practice	We'll now move into Module 3: AML/CTF in Practice. This module is designed to focus on: • client conversations • difficult situations • escalation • maintaining professionalism throughout the process.	
125 Learning outcomes	By the end of this module, participants should feel more confident: • managing AML/CTF-related conversations • handling pushback professionally • escalating concerns appropriately • taking action without disrupting the transaction unnecessarily.	
126 Module format	This module is intentionally designed to be practical and interactive. The module is broken into 4 parts: 1. Client conversations in practice. 2. Handling resistance and objections. 3. Avoiding 'tipping off'. 4. Escalation and next steps. The goal isn't simply to understand AML/CTF rules. You need to feel confident applying them in real client situations.	

Slide	Guide script	Notes
127 Part 1: client conversations in practice	We'll begin with communicating with clients confidently. Many of you may worry: 'How do I explain these checks?' 'Will clients get offended?' 'Will this damage relationships?' 'How do I avoid sounding accusatory?' The good news is when handled professionally and confidently, these conversations usually become very routine.	
128 The goal of AML/CTF conversations	So, what should good AML/CTF conversations actually feel like? They should: • feel professional and routine • build trust rather than suspicion • be clear, calm and confident • explain why information is required. The goal is NOT to interrogate the client. The goal is to guide them through a standard process. Your tone and confidence strongly influence how clients respond.	

Slide	Guide script	Notes
129 Practical tips for confident AML/CTF conversations	Here are some practical techniques that make AML/CTF conversations much easier. **Tip 1** – Be confident, not apologetic. You could say: 'We're required to complete these checks.' Avoid: 'Sorry, we have to ask…' **Tip 2** – Keep it simple. Avoid technical AML/CTF jargon. Use plain language and explain things clearly. **Tip 3** – Use analogies. For example: 'It's similar to opening a bank account.' **Tip 4** – Normalise the process. Use language like 'This applies to all clients.' **Tip 5** – Use inclusive 'we' language. For example: '**We** need to complete these checks before proceeding.'	

Slide	Guide script	Notes
130 How to start the conversation	So how do you bring up AML/CTF requirements with clients without making it awkward? The answer is simple. Treat these conversations like any other professional onboarding conversation. Good conversations should be: • professional and routine • calm and confident • clear about why information is needed. The goal isn't to interrogate clients. The goal is simply to explain the process, explain what's needed and guide the client through it. Here is an example: 'As part of Australia's anti-money laundering laws, we're required to verify the identity of all clients before we can proceed. It's a standard process that applies across the industry. I'll guide you through the process and let you know exactly what's needed.'	

Slide	Guide script	Notes
131 Starting the conversation	Let's look at another example. 'As we move toward settlement, there are a few compliance steps we now need to complete as part of Australia's new anti-money laundering requirements for real estate transactions. This includes verifying your identity and collecting some basic information about the transaction and how the property is being purchased. Your conveyancer may have done this already, but I'll guide you through the process and let you know exactly what's needed.' This example shows what a good conversation sounds like. Notice that it: • explains why the information is needed • explains what happens next • reassures the client that you'll guide them through the process. Most importantly, it sounds normal, you're not apologetic and you're not sounding defensive. This example is explaining the process professionally.	
132 Role play activity: client conversations in practice	We're now going to move into a practical skill activity.	Facilitator notes This section is designed to bring the energy levels up in the training – let them have fun with this. The goal is not perfection. The goal is building comfort, confidence, and communication skills.

Slide	Guide script	Notes
133 Role play activity: client conversations in practice – instructions	This activity is designed to help you practice: • introducing AML/CTF onboarding questions • responding to client questions • maintaining a confident, professional tone. One participant will play the real estate agent. The other participant will play the client. The client will use prompt cards, objections and conversation cues. The real estate agent will practice explaining AML/CTF requirements, responding professionally and guiding the client through onboarding.	<u>Facilitator notes</u> Encourage conversational delivery, not reading. Walk around the room and observe tone and language.
134 Activity materials	You'll each have 2 support resources during the activity. The first is the activity worksheet, which explains the scenario and provides the role play prompts. The second is the Client FAQ Guide, which contains example responses you can use to answer common AML/CTF questions professionally.	

Slide	Guide script	Notes
135 Discussion	Now that everyone has completed the role play let's debrief together.	*Ask participants:* • What language helped reduce tension? • What responses sounded confident and professional? • What phrases helped normalise the process? • Did explanations sound simple and clear? • What could be improved?
136 Key takeaways	If the process feels calm, professional and routine clients are far more likely to respond positively.	
137 Part 2: handling resistance and objections	We'll now move into Part 2: handling resistance and objections. This section focuses on situations where clients become frustrated, may push back and become defensive or resist providing information.	Facilitator notes Acknowledge this is a major real-world concern. Maintain reassuring tone.
138 Handling difficult client conversations	I know quite a few of you here have probably thought: 'How do I manage difficult AML/CTF conversations without damaging the client relationship or losing the deal?' The good news is that most difficult conversations become significantly easier when clients feel **heard, understood and respected.**	

Slide	Guide script	Notes
139 The key technique: acknowledge before you explain	This next technique is one of the most important communication tools in the training. When clients feel frustrated, confused or defensive their first need is often **emotional** not informational. Before explaining the AML/CTF process first acknowledge the client's concern. This technique is known as tactical empathy. It means recognising and validating the client's concern before responding. You are not agreeing with the objection. You are acknowledging the emotion behind it.	
140 Simple tactical empathy formula	To simplify the technique, we use a very simple 3-step formula. **Step 1 – Acknowledge** Recognise the client's concern. Examples: • 'I understand why that feels frustrating.' • 'That's a really common question.' **Step 2 – Normalise** Reassure them their reaction is understandable. Examples: • 'A lot of clients are adjusting to the new process.' • 'These requirements are new for the industry.' **Step 3 – Explain** Then calmly explain the process, the reason or the next step. The sequence matters: emotion **first**, explanation second.	

Slide	Guide script	Notes
141 Tactical empathy examples	Let's look at a few examples. **Example 1 – A client feels frustrated** The client says: 'This is way more complicated than it used to be.' A poor response would be: 'Well, these are the new rules.' Why is this ineffective? Because it dismisses the client's frustration. A better response is: 'I completely understand — a lot of clients are surprised by how much the process has changed. The new laws now apply across the industry, so we're required to complete these checks for all transactions.' **Example 2 – A client feels distrusted** The client says: 'Why are you asking where my money came from?' A poor response would be: 'Because compliance told us to.' A better response is: 'That's a really common question. For some transactions, we're required to understand the source of funds as part of the AML/CTF requirements that now apply to real estate. It's similar to what banks already do.'	

Slide	Guide script	Notes
142 Tactical empathy examples - continued	Here are 2 more examples. **Example 3 – A client threatens to leave** The client says: ‘This is ridiculous — I’ll just go to another agent.’ A poor response would be: ‘Fine, but they’ll ask the same thing.’ Why is this ineffective? Because it escalates tension. A better response is: ‘I understand your frustration. These requirements now apply across the industry, so other agencies will need to complete similar checks as well. My goal is simply to help make the process as straightforward as possible.’ **Example 4 – A long-term client pushes back** The client says: ‘You’ve known me for years. Surely I don’t need to do all this.’ A poor response would be: ‘Everyone has to do it.’ A better response is: ‘I completely understand why that feels frustrating after working together for so long. The new laws apply to all clients, even clients we’ve had before, so we still need to update and document the information.’	

Slide	Guide script	Notes
143 Practice	Let’s practice the tactical empathy framework together. We’ve got a client who says ‘I feel like I’m being treated like a criminal.’ *[Pause]* Think about: • how you would acknowledge the concern • normalise the situation • then calmly explain the process. *[Select a participant to answer (this will get the rest of the group to concentrate just in case they are next).]* A strong response might sound something like: ‘I understand why it could feel that way. These checks now apply to all property transactions and are part of the standard onboarding process across the industry.’	

Slide	Guide script	Notes
144 Practice	Here's another practice example. The client says: 'I'm not comfortable providing that information.' *[Pause]* Again, think about: • how you would acknowledge the concern • normalise the situation • then calmly explain the requirement. *[Select a participant to answer (this will get the rest of the group to concentrate just in case they are next).]* A strong response could sound like: 'I understand some clients are cautious about sharing personal information. Under AML/CTF requirements, we do need to complete these checks before proceeding with the transaction.' Notice the response stays calm, avoids sounding apologetic and focuses on **process** rather than judgement.	
145 Key takeaways	So, let's summarise the key lesson from this section. Tactical empathy isn't agreeing with the client. It **is** acknowledging how the client **feels** before explaining the process. When clients feel heard emotional tension drops, resistance decreases and conversations become easier and more productive.	<u>Key teaching point</u> People are far more receptive to information once they feel understood.
146 Part 3: avoiding 'tipping off'	We'll now move into Part 3: Avoiding 'tipping off.' This is one of the most important legal concepts in the AML/CTF regime.	

Slide	Guide script	Notes
147 What is 'tipping off'?	'Tipping off' occurs when specified information is disclosed to another person in a way that would or could reasonably be expected to prejudice an investigation, either now or in the future. This could include alerting someone that either: • they may be under suspicion • a report may have been submitted. An important legal point: under Australia's AML/CTF laws tipping off is a **criminal** offence. We'll go through what this means in practice over the next few slides, and we'll also go over examples of what to say and what not to say.	
148 What constitutes 'tipping off'?	One really important point is that you do NOT need to know an investigation exists for tipping off to occur. The key legal question is 'Could this disclosure prejudice an investigation if there was one?' So even casual comments, speculation or poorly chosen wording can create problems.	
149 What not to do	So, what should you avoid? **Don't** tell someone you think they are suspicious. **Don't** suggest you may submit reports. **Don't** discuss internal investigations, reports or requests from regulators. Remember that clients don't need to know your concerns, they only need to know the process.	<u>Facilitator note:</u> If participant asks about what a 'notice' is that's written on the slides: these are notices issued by AUSTRAC where a business is required to give information or produce a document.

Slide	Guide script	Notes
150 Example	This example shows the difference. In this scenario risk has increased and additional checks are needed. The **wrong** approach is explaining to them that you have suspicions. The **better** approach is explaining **process**. Notice the wording: 'Based on the information provided, we need to complete some additional verification steps as part of our standard AML/CTF process.' It's simple, professional and neutral. That is usually what good communication sounds like.	
151 Why 'tipping off' matters	So why does 'tipping off' matter so much? Because if someone becomes aware they may be under suspicion, they may: • move or hide funds • destroy evidence • change behaviour • warn others involved. And this can significantly prejudice investigations and make financial crime much harder to detect.	

Slide	Guide script	Notes
152 Managing sensitive situations	So, what should you do if additional checks are required or a transaction becomes more sensitive?" Remember, the key principles are: • stay calm and professional • avoid emotional or accusatory language • keep explanations simple • focus on process, not judgement. The safest approach is to explain what needs to happen, **without** explaining why you personally suspect concern.	Facilitator notes Examples: Good: 'We need to complete additional verification steps.' Avoid: 'This transaction looks suspicious.'
153 Part 4: escalation and next steps	We'll now move into the final section of the training – Escalation and Next Steps. This section focuses on when to escalate concerns, how escalation works inside the business, what happens after escalation and the difference between the role of the frontline real estate professional and the AML/CTF compliance officer.	
154 Why escalation matters	We've spoken a lot throughout the training about escalation. So why is escalation so important? Because frontline real estate professionals are often the first people to notice when: • something doesn't add up • a client's behaviour changes • new risk factors emerge during a transaction. Escalation helps ensure concerns are reviewed appropriately, assessed consistently and managed by the right people within the business.	

Slide	Guide script	Notes
155 When should you escalate?	So, when should you escalate matters internally? There are several common situations where escalation should occur. Escalate when: • the initial CDD risk assessment is high • information is inconsistent or unusual • a client refuses to provide required information • new ML/TF risk factors emerge • a transaction becomes more complex or higher risk • you feel unsure how to proceed.	
156 Escalation	There's one very important reminder here. Escalation does **not** mean the client has done something wrong. Escalation simply means additional review is required, the matter may need further assessment, or the risk profile may have changed. Escalation is a process response, it's not a judgement about the client.	
157 How to escalate within the business	Every agency will have its own internal escalation process within their AML/CTF program. The exact workflow may differ, but the core principles are generally similar. This may include: • completing an internal escalation form • recording concerns in the CRM or onboarding system • contacting the AML/CTF compliance officer • providing supporting notes or documentation. The goal is to ensure concerns are documented clearly, escalated promptly and assessed consistently.	

Slide	Guide script	Notes
158 What should you include when escalating?	When escalating concerns, the quality of the information provided matters. Good escalation notes should focus on: • what occurred • what was said • what documents or behaviours raised concern • what changed during the transaction. Avoid personal opinions, assumptions or emotional language. For example, a strong escalation note might say: 'Client advised they intend to pay part of the settlement funds using cryptocurrency. This was not disclosed during initial onboarding. Matter escalated for further assessment.'	Key teaching point Good escalation notes are factual, neutral and specific.
159 What happens after escalation?	So what actually happens after you escalate a matter? Typically, the AML/CTF compliance officer will review the information and may: • request additional information • conduct enhanced CDD • assess whether reporting obligations apply • decide next steps.	

Slide	Guide script	Notes
160 The agent's role vs the compliance team	This slide helps clearly separate the role of the frontline real estate professional from the role of the AML/CTF compliance officer. Frontline real estate professionals are responsible for: • collecting information • completing onboarding and initial CDD • identifying concerns or changing risk • escalating appropriately • continuing to manage the client relationship professionally. The AML/CTF compliance officer is responsible for: • assessing ML/TF risk • conducting further review where required • determining reporting obligations • deciding next compliance actions • managing regulatory obligations.	
161 AML/CTF compliance is a shared responsibility	However, escalation doesn't mean your role is done. The AML/CTF compliance officer isn't there to take over the process with your customer; that remains your responsibility. Escalation isn't handing the problem over. You'll continue working together to manage risk appropriately.	

Slide	Guide script	Notes
162 Key takeaways	So, let’s reinforce one final key message. Frontline real estate professionals aren’t expected to: • investigate • determine guilt • make compliance decisions. Your role is to follow the process set by your agency, identify concerns, escalate appropriately and maintain professional client communication. And if you’re ever unsure: escalate and speak with your AML/CTF compliance officer.	
163 Training wrap-up	So, before we finish, let’s quickly recap what we covered today. Throughout this training we explored: • why AML/CTF matters in real estate • how money laundering occurs through property transactions • the role of frontline real estate professionals • customer due diligence and onboarding • risks and indicators • managing client conversations professionally • avoiding ‘tipping off’ • when and how to escalate concerns.	

Slide	Guide script	Notes
164 The core message of this training	If there's one message we want participants to leave with today, it's that your role is **not** to investigate crime. Your role is simply to: • follow the process set by your agency • know your client • recognise when something doesn't add up • escalate concerns appropriately. The AML/CTF regime works because different people across the system each play their part. And as frontline real estate professionals, your role in that system matters.	
165 Final thoughts	As we wrap up, there are a few final messages we really want participants to leave with. First: AML/CTF obligations are now part of normal real estate practice. Over time, these conversations and checks will become routine: just like ID checks and verification processes already are in other industries. Second: escalation is part of the process. Escalating a concern does **not** mean someone has done something wrong. And finally, good AML/CTF conversations feel calm and professional. Explain the process clearly, use neutral language and focus on compliance, **not suspicion**.	
166 Remember	If there's one practical reminder to leave with today, it's this: If you're unsure — don't guess. Don't investigate. Don't try to solve the issue yourself. Instead escalate and speak with your AML/CTF compliance officer.	

Slide	Guide script	Notes
167 Final questions	We've now reached the end of the training content. Before we finish, let's open the floor for any final questions, clarifications or discussion.	
168 Before you go	Before you leave, please complete the post-training questionnaire. The feedback helps: • improve future training delivery • identify areas requiring further support • better understand participant confidence and learning outcomes.	<u>Facilitator notes</u> Hand out questionnaire. Encourage honest feedback - if you don't tell us, we can't improve the training.
169 Thank you	That brings us to the end of the AML/CTF training modules. Thank you for your participation, engagement and contribution throughout the session.	
170 Acknowledgement	This training was developed to help improve awareness and understanding of AML/CTF obligations within the real estate sector.	
End		