Caratti Accountants &
Business Advisors

NEW ANTI-MONEY LAUNDERING CLIENT ID CHECKS REQUIRED

From 1 July 2026, all accountants including Caratti Accountants & Business Advisors will have a legal obligation to verify the identity of our clients before we can provide certain services. This applies to new and existing clients alike, even if I have known you for years.

These requirements are administered by AUSTRAC, Australia's Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) regulator. They exist to prevent accounting and advisory services from being used – wittingly or not – to facilitate money laundering, organised crime, and terrorism financing. They are similar to the rules that you would be used to with Banks that have been around for many years.

Why the change?

For organizations such as banks, the Anti-money laundering ("AML") rules have been around for many years. However, effective 1 July 2026, Tranche 2 of the rules becomes effective to extend these rules to

- Real estate agents
- Conveyancers and importantly
- Accountants
- Lawyers

But I have been a client for years?

Unfortunately, this does not matter. The difficulty is that AML regulations are based on evidence and records, not familiarity. I can't simply write "I know this client well" in place of keeping up to date compliance documents on file. The rules apply regardless of how long I have known you.

The new rules will apply to all new clients and for existing clients, as soon as I need to provide a new designated service to you. Designated services include services such as

- Acting a company registered office
- Changing your company details eg address, new director etc.
- Any restructuring in your group or
- Creation of any new company or trust

By asking for updated ID documents or additional information, it is not that I am trying to make your life difficult. It is simply that I am doing what the law requires of me to be a regulated firm.

What will I be asked to provide?

What we need depends on the nature of the service and can vary, but common requests include:

- passport or driving licence
- proof of address
- company ownership information
- details about where money has come from
- explanations for unusual transactions
- confirmation of overseas activity or tax residency

For individuals, this typically means confirming your name, date of birth, and residential address. For companies, trusts, and other entities, we may also need

to identify directors, key shareholders, and beneficial owners, even if those shareholders are not directly clients. work evolves and your particular circumstances.

How will I need to provide this information?

Before certain services can begin, we are legally required to verify your identity under two regulatory framework sets: the Tax Practitioners Board (TPB) guidelines and AML regulations. We have combined these requirements into one client identity verification check.

We conduct identity verification through Macquarie AML, a purpose-built AML platform used by professional services firms across accounting, legal, and financial services. You'll receive a secure email digital request through the platform from me; this allows verification to be completed quickly, safely and remotely in Macquarie AML.

If digital verification doesn't work for your situation, please speak to me to discuss alternatives.

How will my information be protected?

Any information you provide is collected securely, used only to meet our regulatory obligations and deliver the services you've requested, and handled in line with applicable privacy laws. It is not used for any other purpose.

Where can I get further information?

Please refer to the Austrac website or to the following video for additional information.

1) Austrac website - https://www.austrac.gov.au/general-public/why-you-might-be-asked-id
2) Austrac video -

https://www.youtube.com/watch?v=varE_HuUAaw

If you would like more information about these changes, then feel free to contact Silvia Caratti on 0430518065 or silvia@carattiaccountants.com.au. Please note that this is general information only and professional advice should be obtained before acting on any information contained herein.

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