



easyAML

Tranche 2 reforms explained.

A practical guide to what you need
to know, and do.

Introduction



Feeling overwhelmed by the upcoming Tranche 2 reforms? You're not alone

Many Australian businesses are unsure of what is required, when to act, or how to begin preparing for these significant changes. This guide is designed to cut through the noise, providing you with clear, actionable insights to prepare calmly and confidently.

Tranche 2:

What it is and who it impacts

/ What is Tranche 2?

Tranche 2 refers to the expansion of Australia's Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) laws, extending obligations to previously unregulated industries. These reforms are crucial for strengthening Australia's ability to combat financial crime and meet international standards.

/ Who will be affected?

From 1 July 2026, Tranche 2 will likely apply to your business if it offers designated services typically provided by:

- Real estate agents, buyers' agents, and property developers
- Conveyancers and settlement agents
- Legal professionals, including solicitors and lawyers
- Accountants, bookkeepers, and tax agents
- Jewellery and precious metal dealers (cash/crypto transactions ≥ \$10,000)
- Trust and company service providers (TCSPs)
- Virtual asset service providers (VASPs), including wallets, exchanges, and transfers

Note: Virtual asset-related obligations begin earlier, on 31 March 2026.

/ What does “designated service” mean?

If your business performs certain financial, legal, or transactional services known as designated services, you are classified as a reporting entity under the AML/CTF Act.

These include services such as assisting clients with buying or selling property, managing money, assets or legal entities on behalf of others, handling large cash or cryptocurrency transactions, or providing services related to trusts, companies, or virtual assets.

/ Quick guide to key terms

You’ll see these throughout this guide. Here’s what they mean:

AML

Anti-Money Laundering

AUSTRAC

The government regulator overseeing AML/CTF compliance

CDD

Customer Due Diligence (knowing and verifying your customers)

CTF

Counter-Terrorism Financing

PF

Proliferation Financing

SMR

Suspicious Matter Report (filed when something doesn’t look right)

Tranche 2

the second phase of AML/CTF reforms, extending to new sectors

TTR

Threshold Transaction Report (cash transactions ≥ \$10,000)

VASP

Virtual Asset Service Provider (crypto wallets, exchanges, etc.)

Why this matters: Beyond ticking boxes



AML/CTF laws aren't just about compliance. They're about protecting people.

Criminals use financial systems to disguise the movement of funds linked to illegal activity. This includes fraud, terrorism, trafficking, child exploitation, and other serious crimes. Businesses play a key role in detecting and disrupting those activities.

You're not being asked to solve crimes. Simply to report certain matters.

By verifying customers and their interactions, and reporting suspicious behaviour, your business helps protect the wider community, contributing to a safer Australia.

Your key obligations under Tranche 2

If your business provides one of the newly regulated services, here's what you'll be expected to do:

1 Enrol and register with AUSTRAC

You must enrol your business with AUSTRAC within 28 days of providing a regulated service. Enrolment for Tranche 2 entities will open on 31 March 2026.

2 Develop and maintain an AML/CTF program

This documented program protects your business from criminal exploitation. It must include undertaking a robust risk assessment about your industry, business and customer profiles and behaviours. This informs the creation of your AML/CTF Program, which includes policies, procedures, systems, and controls tailored to your business's nature, size, and complexity. Your program must be independently evaluated at least once every three years.

3 Conduct Customer Due Diligence (CDD)

Understand your individual customers and the ML/TF/PF risks they may pose. This includes initial verification checks, ongoing monitoring of transactions and behaviours, and applying enhanced CDD in higher-risk scenarios.

4 Report certain transactions and suspicious activity

You must submit various reports to AUSTRAC, including Suspicious Matter Reports (SMRs), Threshold Transaction Reports (TTRs) for physical currency transactions of A\$10,000 or more, and International Value Transfer Service reports (IVTS) within 72 hours. Annual compliance reports are also required.

5 Make and keep records

Maintain accurate and complete records related to your AML/CTF program, CDD, transactions, staff training, and audit results for at least 7 years.

6 A note for legal professionals

The new laws include provisions that ensure legal professional privilege remains unchanged. This means you will not be required to disclose privileged information or documents.

What compliance looks like in practice

Tranche 2 compliance is not a one-off task. It's an ongoing process that needs to be built into how your business operates. Here's what it involves, step by step:

1

Enrol

Register your business with AUSTRAC and prepare to be monitored.

- ☐ Complete AUSTRAC enrolment form
- ☐ Submit contact information
- ☐ Provide business structure details
- ☐ Appoint a compliance officer
- ☐ List designated services offered
- ☐ Establish reporting channels
- ☐ Identify key personnel
- ☐ Set up AUSTRAC Online access

2

Assess your risk

Understand your exposure to money laundering, terrorism financing, and other risks.

- ☐ Conduct ML/TF/PF risk assessment
- ☐ Consider geographic risks
- ☐ Identify customer risk factors
- ☐ Document risk methodology
- ☐ Assess product/service risks
- ☐ Set risk appetite statement
- ☐ Evaluate delivery channel risks
- ☐ Create risk matrix

3

Implement your program

Build your policies, systems, and procedures.

- ☐ Develop written AML/CTF policies
- ☐ Establish record-keeping systems
- ☐ Create CDD procedures
- ☐ Create governance structure
- ☐ Design transaction monitoring
- ☐ Document all procedures
- ☐ Build reporting processes
- ☐ Formally approve Program

4

Train your team

Build a culture of compliance.

- ☐ Develop role-specific training modules
- ☐ Create sector-specific risk training
- ☐ Conduct initial training for all staff
- ☐ Test understanding with assessments
- ☐ Implement new employee onboarding
- ☐ Establish clear reporting lines
- ☐ Schedule annual refresher training
- ☐ Define roles and responsibilities

5

Monitor and improve

Maintain ongoing compliance.

- ☐ Undertake customer due diligence
- ☐ Conduct internal audits
- ☐ Monitor customer transactions
- ☐ Test compliance controls
- ☐ Review customer risk ratings
- ☐ Measure program effectiveness
- ☐ Track regulatory changes
- ☐ Report to management

6

Report as required

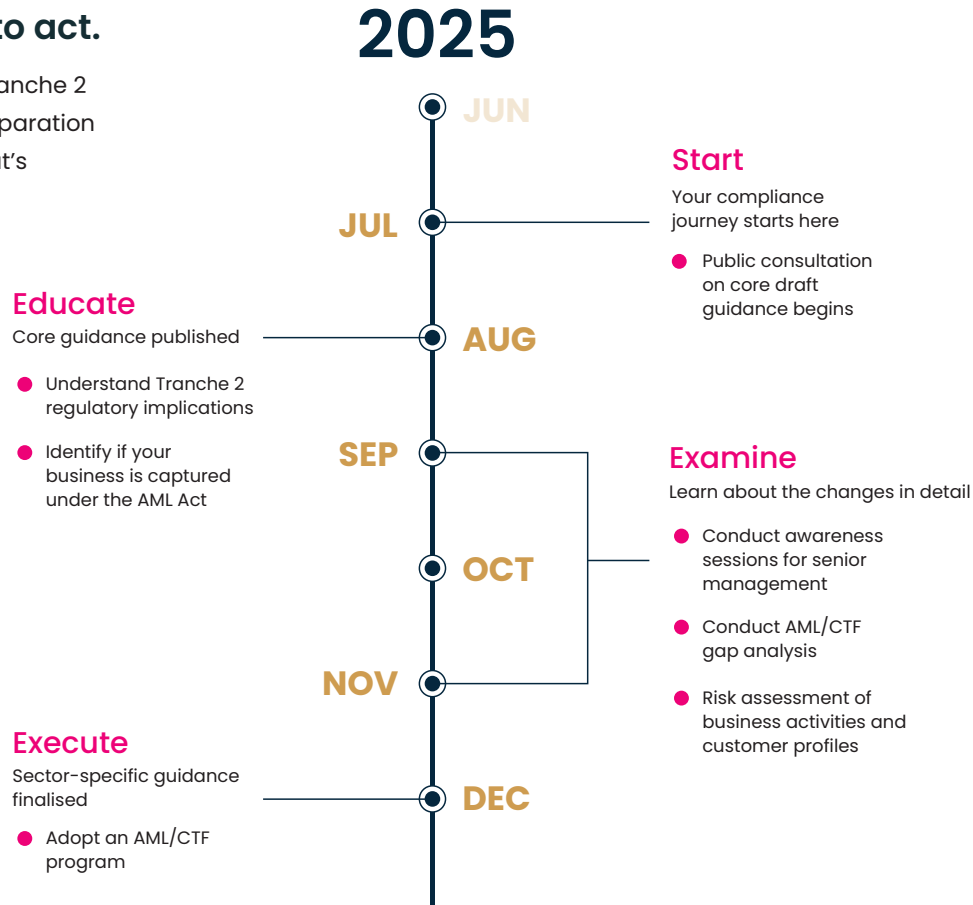
Meet your obligations to AUSTRAC.

- ☐ Submit SMRs within 72 hours
- ☐ Respond to AUSTRAC requests
- ☐ File TTRs for \$10,000+ cash
- ☐ Submit annual compliance reports
- ☐ Report IFTIs
- ☐ Provide board/management updates
- ☐ Maintain 7 - year records
- ☐ Document all decisions

Key dates and timeline

/ What to do, and when to act.

While the main obligations for most Tranche 2 entities commence on **1 July 2026**, preparation takes time. This roadmap outlines what's coming and when you'll need to act.



/ A note on timing

AUSTRAC does not expect businesses to create policies, develop full programs, or implement technology before the sector guidance is finalised in December 2025. However, being informed and understanding the requirements now can reduce pressure later.

Preparation and readiness to take early action lead to smoother implementation, lower risk, and greater confidence as the deadline approaches.



Navigating the confusion.

Your trusted compliance partner

We understand that many businesses feel time-poor, overwhelmed, and unsure where to start with these new regulations. The market can be saturated with partial solutions or fear-based messaging.

/ This is where easyAML steps in.

We are committed to making compliance simple, clear, and manageable. Unlike fragmented offerings, easyAML provides a complete, end-to-end AML/CTF compliance solution built specifically for small to medium-sized Australian businesses like yours.

/ How we help:

Clarity

We simplify complex requirements into plain, actionable steps.

A complete solution

Our all-in-one platform covers every part of the process, from tailored risk assessments and AML/CTF programs to automated ID checks, staff training tools, reporting features, and audit-ready record-keeping.

Local, responsive support

Our Australian team understands your industry and is here to provide reliable, accurate guidance and assistance when you need it.

Confidence

We evolve alongside the legislation, ensuring our platform is always aligned with AUSTRAC guidance, so you can trust your compliance is on track.

You don't have to figure it out alone. We're here to help you prepare with confidence by providing a complete solution that fits the way you work.

What's next?



You're already on the path to clarity.

By downloading this guide and joining the readiness list, you've taken the first and most important step.

We'll continue to support you with clear guidance, sector-specific updates and helpful tools as the legislation evolves.

Visit easyaml.com for more resources, upcoming webinars, and ways to stay prepared.

You've got this, and we've got your back.

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