

International Comparative Legal Guides

Anti-Money Laundering 2026

A practical cross-border resource to inform legal minds

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Contributing Editors:

Stephanie Brooker & M. Kendall Day

Gibson, Dunn & Crutcher LLP



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Australia



Dennis
Miralis



Kartia
Zappavigna



Jack
Dennis



Phillip
Salakas

Nyman Gibson Miralis

1 The Crime of Money Laundering and Criminal Enforcement

1.1 What is the legal authority to prosecute money laundering at the national level?

The Criminal Code Act 1995 (Criminal Code), which applies to federal and Commonwealth offences, includes several money laundering offences. Chapter 10, Part 10.2, Division 400 of the Criminal Code defines and captures 19 money laundering offences.

The federal Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and its related Anti-Money Laundering and Counter-Terrorism Financing Rules 2007 (AML/CTF Rules) also include money laundering offences.

Australian states and territories' criminal laws also contain money laundering offence provisions.

1.2 What must be proven by the government to establish money laundering as a criminal offence? What money laundering predicate offences are included? Is tax evasion a predicate offence for money laundering?

The Criminal Code defines money laundering offences in terms of “dealing” with “money or other property” that is either the “proceeds of crime” or an “instrument of crime”. Under the Criminal Code, “dealing” occurs when a person receives, possesses, conceals, disposes, imports, exports, or engages in a banking transaction relating to money or other property. Money or property is an “instrument of crime” if it is used in the commission of, or used to facilitate the commission of, an offence.

There are different tiers of money laundering offences depending on the value of the money or property in question and the offender's state of mind.

The prosecution must, first, prove the existence of physical elements that create the offence, relevant to establishing guilt. Second, with respect to each physical element for which a fault element is required, one of the fault elements for the physical element must also be proven. Several of the offences require the prosecution to prove that the defendant knew, or was reckless or negligent, as to whether the money or other property was the proceeds of a specific indictable offence, for example, a drug importation. However, the Crimes Legislation Amendment (Economic Disruption) Bill 2020 introduced a new category of “general crime” offences, under which the prosecution only needs to prove defendant's knowledge in relation to the circumstance that the property was “proceeds of general crime”. That is, the prosecution does not need to prove a particular predicate

offence or identify a particular person as the offender in relation to the offence.

While the Criminal Code does not specify offences that predicate money laundering offences, predicate offences in Australia usually involve drugs and narcotics trafficking, fraud, theft and identity theft, tax evasion, people smuggling, arms trafficking, and corruption offences. Criminal breaches of state and territory laws as well as foreign laws can also be predicate offences.

1.3 Is there extraterritorial jurisdiction for the crime of money laundering? Is money laundering of the proceeds of foreign crimes punishable?

Yes. The money laundering offences defined by the Criminal Code apply extraterritorially where the conduct occurs “wholly or partly in Australia” or “wholly or partly on board an Australian aircraft or ship”.

Money laundering offences can also apply where the conduct occurred wholly outside Australia, if:

- the money or property is likely to become, or is at risk of becoming, the proceeds of crime as a result of violations of Commonwealth, state, or territory indictable offences;
- the person is an Australian citizen, resident, or corporation; and
- the offence is an ancillary offence, and the primary offence relevant to the ancillary offence occurred or was intended to occur, wholly or partly in Australia or wholly or partly on board an Australian aircraft or ship.

Yes, in Australia, laundering money obtained from foreign crimes is punishable by law. The term “proceeds of crime” refers to any money or property that is fully or partially acquired or derived, directly or indirectly, by an individual as a result of committing a crime that violates either Australian law or the laws of a foreign country, where such a crime is considered serious enough to be treated as an indictable offence. The AML/CTF Act, along with the Criminal Code, makes it a criminal offence to handle money or property that is known to be the proceeds of any criminal activities, irrespective of whether those activities occurred within Australia or in another country.

1.4 Which government authorities are responsible for investigating and prosecuting money laundering criminal offences?

The Commonwealth Director of Public Prosecutions (CDPP) is the primary government agency responsible for the prosecution of federal criminal offences, including money laundering offences. At the state and territory level, the respective state or territory's public prosecutions office is responsible for

prosecuting money laundering offences that breach state or territory laws.

Agencies tasked with investigating money laundering include the Australian Federal Police (AFP), the Australian Criminal Intelligence Commission (ACIC), the Australian Taxation Office (ATO), the Australian Transaction Reports and Analysis Centre (AUSTRAC), and the Australian Securities and Investments Commission (ASIC).

1.5 Is there corporate criminal liability or only liability for natural persons?

Yes. The Criminal Code applies equally to bodies corporate as well as individuals.

1.6 What are the maximum penalties applicable to individuals and legal entities convicted of money laundering?

The Criminal Code provides varying penalties for money laundering offences, with the penalty that is applicable for a criminal violation depending on the value of the money or property that has been dealt with and the offender's degree of knowledge.

At the highest level, for money or property worth A\$10 million or more, the maximum penalty for individuals is life imprisonment or a fine of 2,000 penalty units (A\$660,000). At the lower range of value, for money or property worth less than A\$10,000, the maximum penalty can be as low as six months imprisonment or 30 penalty units (A\$9,900), or both.

For corporations, the maximum penalty is a fine of 10,000 penalty units (A\$3.3 million). The Criminal Code does not provide a specific fine; therefore, as stated in section 4B of the Crimes Act 1914, the fine would be an amount not exceeding an amount equal to five times the amount of the maximum penalty unit that would be imposed by the court on a natural person convicted of the same offence.

One penalty unit is currently A\$330, since 7 November 2024 (section 4AA of the Crimes Act 1914).

1.7 What is the statute of limitations for money laundering crimes?

The Criminal Code does not provide a specific time limit for prosecutions of money laundering offences. However, for all Commonwealth offences, if the penalty for an individual is a maximum term of six months imprisonment, or if the penalty for a body corporate is 150 penalty units or less, then the CDPP must bring proceedings within one year of the commission of the offence.

At the state and territory level, the prosecution of money laundering offences also has time limits. For example, in New South Wales (NSW), there are summary offences of dealing with property suspected of being the proceeds of crime that require proceedings to be commenced no later than six and 12 months, respectively, after the offence was alleged to have been committed.

1.8 Is enforcement only at national level? Are there parallel state or provincial criminal offences?

While money laundering offences are heavily targeted by the AFP and the CDPP at the federal level, state-level police and prosecutors also enforce money-laundering offences. In 2022, the NSW

Parliament passed the Crimes Amendment (Money Laundering) Bill 2022, in line with the Commonwealth amendments in 2021, which sought to make it easier to prosecute money laundering in NSW by removing the requirement to prove a particular offence or type of offence in proving that the funds were the proceeds of crime, or that a particular person committed the offence (section 193F of the Crimes Act 1900 (NSW)).

1.9 Are there related forfeiture/confiscation authorities? What property is subject to confiscation? Under what circumstances can there be confiscation against funds or property if there has been no criminal conviction, i.e., non-criminal confiscation or civil forfeiture?

Australia's anti-money laundering (AML) regime includes legislation that seeks to recover assets that were obtained through money laundering. At the Commonwealth level, the Proceeds of Crime Act 2002 (POC Act) enables law enforcement to pursue the recovery of assets linked to offences after a conviction. The POC Act contains the unexplained wealth provisions in Part 2-6, where targets of these orders must prove on the balance of probabilities that their wealth was not derived from an offence against a law of the Commonwealth, a foreign indictable offence or a state offence that has a federal aspect. This legislation has a broad definition of asset that includes any money, real property and personal property, tangible or intangible, located in Australia or elsewhere.

Further, each Australian state and territory also has asset recovery legislation for funds generated by offences at a state or territory level.

A National Cooperative Scheme on Unexplained Wealth was created in 2018 to enable law enforcement agencies across the country – at the Commonwealth and state/territory level – to share information and work together to investigate and confiscate unexplained wealth. The Commonwealth, NSW, South Australia, the Australian Capital Territory, and the Northern Territory are all participants. An independent review of the Scheme's effectiveness was released in June 2024 and found that parts of the Scheme have been underutilised. For example, access to Commonwealth information gathering powers had not been used by any participating jurisdiction.¹ The report made several recommendations, including the creation of a detailed "user manual" to support the use of the Commonwealth information gathering powers. The Government has announced that it will implement these recommendations.²

1.10 Have banks or other regulated financial institutions or their directors, officers or employees been convicted of money laundering?

Yes, there have been instances where banks and other regulated financial institutions, as well as their directors, officers or employees, have been convicted of money laundering.

A prominent example involves the Commonwealth Bank of Australia (CBA), which agreed to a A\$700 million fine with AUSTRAC. AUSTRAC found that CBA had contravened the AML/CTF Act on 53,750 occasions. The contraventions included that CBA had:³

- failed to carry out an appropriate assessment of the money laundering and terrorism financing (ML/TF) risks of its Intelligent Deposit Machines (IDMs) prior to October 2017;
- failed to provide 53,506 threshold transaction reports (TTRs) to AUSTRAC on time for cash transactions of

A\$10,000 or more through IDMs from November 2012 to September 2015, having a total value of about A\$625 million; and

- for a period of three years, not complied with the requirements of its AML/CTF programme relating to monitoring transactions on 778,370 accounts.

AUTRAC's investigation had commenced after being alerted by the AFP, in late 2015, about CBA accounts implicated in serious crimes, including drug importation and unlawful money processing. The bank allegedly allowed these accounts to remain active, facilitating further illicit transactions. This situation led to the charging of eight individuals with proceeds of crime offences, with six of them being convicted.

In 2023, the director of the remittance company plead guilty to dealing with money reasonably suspected to be the proceeds of crime and was sentenced to three months' jail with an 18-month good behaviour bond. It was alleged that the remittance company laundered funds for criminal syndicates and individuals after banks reported a A\$2.34 million shortfall between the amount of money the remitter claimed to have sent overseas and the amount it actually remitted.⁴

1.11 How are criminal actions resolved or settled if not through the judicial process? Are records of the fact and terms of such settlements public?

In cases where money laundering activities intersect with breaches of financial regulations, Australian financial regulatory bodies like ASIC and AUSTRAC may impose civil penalties or administrative actions. These can include fines, disqualification of directors, or orders requiring the institution to undertake specific compliance measures. Settlements of civil actions are generally public, and regulatory bodies often issue press releases detailing the terms of the settlements, though detailed terms may sometimes remain confidential.

1.12 Describe anti-money laundering enforcement priorities or areas of particular focus for enforcement.

Since 2022, AUSTRAC has achieved landmark decisions in its enforcement actions against the casino and gambling industry.

- On 30 May 2023, AUSTRAC and Crown Resorts Limited, Australia's largest gambling and entertainment group, agreed to a A\$450 million fine over money laundering breaches. This was the result of AUSTRAC's "Operation Slalom", by which AUSTRAC brought enhanced compliance investigations and enforcement actions against casino and gambling industries for the high ML/TF risks faced by these industries.
- In March 2022, AUSTRAC announced proceedings in the Federal Court of Australia against Crown Melbourne and Crown Perth for alleged serious and systemic non-compliance with Australia's AML/CTF laws. These proceedings were settled for a A\$450 million fine, which is the third-largest fine in Australian corporate history.
- In February 2024, the New Zealand casino operator SkyCity also announced that it had agreed upon a penalty with AUSTRAC, following the regulator's investigation into alleged breaches of AML/CTF laws by SkyCity's Adelaide casino. The parties submitted a penalty of A\$73 million for the Federal Court's approval.⁵
- In December 2024, AUSTRAC commenced civil proceedings in the Federal Court against Entain Group Pty Ltd., which operates online betting sites including Ladbrokes

and Neds. AUSTRAC alleged that Entain did not develop and maintain a compliant AML programme and failed to identify and assess the risks of criminal exploitation.⁶ It also alleged that Entain's board and senior management did not have appropriate oversight of its AML/CTF programme, which limited its ability to identify the ML/TF risks it faced and its vulnerability to criminal exploitation, and further, that Entain did not conduct appropriate checks on 17 higher-risk customers.⁷ These proceedings remain ongoing.

2 Anti-Money Laundering Regulatory/ Administrative Requirements and Enforcement

2.1 What are the legal or administrative authorities for imposing anti-money laundering requirements on financial institutions and other businesses? Please provide the details of such anti-money laundering requirements.

Australia's AML compliance framework operates on a federal level, with the AML/CTF Act serving as the key legislation for establishing requirements on financial institutions and other businesses.

The AML/CTF Act and the related regulations impose obligations on entities that provide "designated services" and have the required connection to Australia. If a business or person provides one or more such "designated services", they are considered a reporting entity.

Reporting entities are obligated to report certain transactions and suspicious activities to detect and prevent money laundering.⁸ Under the AML/CTF Act, there are five types of reports that must be furnished to AUSTRAC:

Report Type	Required Where/For	Deadline
TTRs	Cash transfers of A\$10,000 or more (or the foreign currency equivalent).	Within 10 business days of the transaction occurring.
International Funds Transfer Instruction Reports (IFTIs)	Fund transfers, regardless of value, into or out of Australia, conducted electronically or through designated remittance arrangements.	Within 10 business days of sending or receiving the transfer instruction.
Suspicious Matter Reports (SMRs)	The entity suspects the customer or transaction is linked to criminal activity.	Within 24 hours for terrorism financing suspicions. Within three business days for other suspicions.
AUSTRAC Compliance Reports	These reports demonstrate adherence to the AML/CTF Act, Regulations and the AML/CTF Rules.	When requested by AUSTRAC.

Report Type	Required Where/For	Deadline
Cross-Border Movement (CBM) Reports	CBMs of physical currency exceeding A\$10,000 (or the foreign currency equivalent) when carrying, mailing, or shipping money into or out of Australia.	It depends, but generally before the cash's departure or arrival, or else within five business days of receipt from overseas.

2.2 Are there any anti-money laundering requirements imposed by self-regulatory organisations or professional associations?

Most professional associations and organisations are regulated only by the federal regime in respect of AML requirements.

However, some industries incorporate federal requirements into their internal policies, for example, the Banking Code of Practice for the Australian Banking Association advises that it will help customers of Aboriginal and Torres Strait Islander heritage meet identification requirements, by following AUSTRAC's guidance.

2.3 Are self-regulatory organisations or professional associations responsible for anti-money laundering compliance and enforcement against their members?

No, professional associations and organisations are not responsible for compliance and enforcement against their members.

2.4 Are there requirements only at national level?

Supplementary criminal money laundering offences exist within each Australian state and territory criminal code; however, there is no state-based regime for AML requirements on financial institutions and other businesses.

2.5 Which government agencies/competent authorities are responsible for examination for compliance and enforcement of anti-money laundering requirements? Are the criteria for examination publicly available?

AUSTRAC is the primary authority responsible for examination for compliance and enforcement of AML requirements. Other government agencies such as the AFP, the Australian Border Force (ABF), ACIC, and the ATO are also involved in the identification, investigation, and litigation of federal money laundering matters.

AUSTRAC has published an overview on its "Approach to Regulation", which explains that AUSTRAC employs a "a risk-based approach to regulation". AUSTRAC will assess a reporting entity's ML/TF risk exposure and the extent to which it is meeting its reporting obligations, based on past compliance history, law enforcement information, and industry-based risk. This will determine the extent of AUSTRAC interactions with the entity.⁹

2.6 Is there a government Financial Intelligence Unit ("FIU") responsible for analysing information reported by financial institutions and businesses subject to anti-money laundering requirements?

Yes. AUSTRAC functions as Australia's Financial Intelligence Unit and AML/CTF regulator. It is responsible for analysing information reported under Australia's AML rules. AUSTRAC is one of several international, national, and state law enforcement task forces, and provides specialist financial intelligence to these task forces to assist in combatting serious financial crimes including ML/TF.

2.7 What is the applicable statute of limitations for competent authorities to bring enforcement actions?

While there is no statute of limitations for most enforcement actions, AUSTRAC must apply to the Federal Court for a civil penalty order within six years of the date of contravention.

2.8 What are the maximum penalties for failure to comply with the regulatory/administrative anti-money laundering requirements and what failures are subject to the penalty provisions?

The maximum penalty for breach of a civil penalty provision under the AMLC/CTF Act is:

- for individuals, 20,000 penalty units (which, at the time of writing, was A\$6.6 million) per breach; and
- for corporations, 100,000 penalty units (which, at the time of writing, was A\$33 million) per breach.

2.9 What other types of sanction can be imposed on individuals and legal entities besides monetary fines and penalties?

To pursue compliance with the AML/CTF regime, AUSTRAC has a range of enforcement actions at its disposal, including:

- **Civil penalty orders (a court-imposed fine):** AUSTRAC can apply for a civil penalty order from the Federal Court for certain breaches of the AML/CTF regime. The maximum penalties are set out in question 1.6 above.
- **Enforceable undertakings:** this is a written document in which a person/company commits to or refrains from taking specific actions in compliance with the AML/CTF Act. It is a binding promise that can be enforced by the courts if not complied with.
- **Infringement notices:** this is a document notifying a person/company that they are in breach of the AML/CTF Act. A fine usually accompanies the infringement notice, which can range from A\$16,200 for a corporation to A\$3,300 for an individual.
- **Remedial directions:** these are formal instructions by AUSTRAC directing an entity to take a specific action to avoid contravening the AML/CTF Act. This could include, for example, ordering an entity to undertake an AML/CTF risk assessment.
- **Appoint an external auditor:** AUSTRAC can require a reporting entity to appoint an external auditor as part of an infringement notice, remedial direction or enforceable undertaking. AUSTRAC will specify what must be audited and what information must be included in the final report.

2.10 Are the penalties only administrative/civil? Are violations of anti-money laundering obligations also subject to criminal sanctions?

Violations of the AML/CTF Act can result in criminal sanctions, primarily for conduct that involves an element of dishonesty or fraud. This includes:

- producing false or misleading information;
- producing a false or misleading document;
- forging a document for use in an applicable customer identification procedure (CIDP);
- having provided or received a designated service using either a false customer name or customer anonymity; or
- structuring a transaction to avoid a reporting obligation under the AML/CTF Act.

Some of these offences attract maximum penalties of imprisonment for 10 years, 10,000 penalty units, or both.

2.11 What is the process for assessment and collection of sanctions and appeal of administrative decisions? a) Are all resolutions of penalty actions by competent authorities public? b) Have financial institutions challenged penalty assessments in judicial or administrative proceedings?

Part 7A of the AML/CTF Act sets out the procedure for the review of certain decisions by delegates of the AUSTRAC CEO. Such “reviewable decisions” may be appealed internally, by way of an application for reconsideration by the AUSTRAC CEO. The applicant must make the application within 30 days of being informed of the decision.

After an internal review has been undertaken, the decision may be appealed externally to the Australian Review Tribunal (ART).

The ART may affirm, vary, set aside or substitute the decision and/or direct the matter back to AUSTRAC for reconsideration with directions or recommendations on the issue.

Both an internal review and an ART review consider the decisions on their merits. The ART’s role in conducting merits review is to substitute the “correct” or “preferable” decision for that of the AUSTRAC CEO. In doing so, the ART will stand in the shoes of the AUSTRAC CEO and conduct a fresh consideration of the matter in issue.

As civil penalty orders are imposed through the Federal Court, they can be appealed to the Full Federal Court.

3 Anti-Money Laundering Requirements for Financial Institutions and Other Designated Businesses

3.1 What financial institutions and non-financial businesses and professions are subject to anti-money laundering requirements? Describe any differences in the anti-money laundering requirements that each of them are subject to.

The AML/CTF Act applies to entities that provide a “designated service” and have a certain connection with Australia, including services provided in Australia through a permanent establishment outside Australia.

Under the AML/CTF Act, designated services include a range of business activities in the following sectors:

- financial services;
- bullion dealing;
- gambling; and
- digital currency exchange.

A “person”, either an “individual” or “entity” that provides one or more designated services and satisfies the geographical link test, is a reporting entity (see the response to question 2.1 above).

Under the AML/CTF Rules, certain designated service providers are exempt from obligations under the AML/CTF Act. For example, Chapter 23 of the AML/CTF Rules exempts persons carrying on a law practice from certain conditions regarding providing remittance.

From 1 July 2026, under the Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024 (Cth) (the 2024 Amendments), the regime will expand to cover “Tranche 2” designated services, including businesses such as real estate professionals (agents, buyer’s agents, and property developers), conveyancers, dealers in precious metals, stones, and related products, lawyers, accountants, and trust and company service providers. Additionally, from 31 March 2026, virtual asset-related services will also fall under AML/CTF regulation, extending the regulatory framework to include a broader range of digital asset activities.

3.2 Describe the types of payments or money transmission activities that are subject to anti-money laundering requirements, including any exceptions.

The AML/CTF Act captures a number of payment or money transmission activities, including transactions within Australia, and transactions either coming into or leaving Australia.

Certain designated services may only be provided by authorised deposit-taking institutions (ADIs), banks, building societies and credit unions, including account and deposit-taking services, issuing cheque books and debit cards, accepting electronic funds transfer instructions, and making funds available as a result of such transfer instructions.

A “person” that is not an ADI, bank, building society, or credit union will be providing a designated service if they:

- accept instructions from a customer to transfer money/property under an arrangement for the transfer of said money/property; or
- under an arrangement, they make or arrange to make money/property available as a result of the transfer.

These services are expressed broadly to capture a range of activities.

Additional designated payment services include:

- making a loan, where the loan is made during the course of carrying on a loans business;
- in the capacity of an issuer of a bearer bond, redeeming a bearer bond;
- guaranteeing a loan, where the guarantee is given during the course of carrying on a business of guaranteeing loans; or
- paying out winnings or awarding a prize, in respect of a game, where the game is played for money or anything else of value.

Persons providing payment or money transmission services may also be required to submit reports on international funds transfers, or the movement of physical currency of A\$10,000 or more (or the foreign currency equivalent) into and out of Australia.

3.3 To what extent have anti-money laundering requirements been applied to the cryptocurrency industry? Describe the types of cryptocurrency-related businesses and activities that are subject to those requirements.

The AML/CTF Act regulates digital asset activities and expressly

captures “digital currency”. The Act defines “digital currency” broadly, as digital representation of value that: “functions as a medium of exchange, a store of economic value, or a unit of account; [is] not issued by or under the authority of a government body; [is] interchangeable with money and may be used as consideration for the supply of goods or services; and [is] generally available to members of the public, without any restriction on its use as consideration”.

Part 6A of the AML/CTF Act obliges digital currency service providers to comply with the AML/CTF Act when they engage in the exchanging of digital currencies to fiat currencies and *vice versa*. Under Part 6A, digital currency service providers must register on AUSTRAC’s Digital Currency Exchange Register to legally provide digital currency exchange services in Australia.

However, the 2024 Amendments replace the concept of “digital currency” with the broader concept of “virtual assets”, aligning Australian law with Financial Action Task Force (FATF) terminology.¹⁰

From 31 March 2026, a virtual asset will mean a digital representation of value that functions as any of the following:

- a medium of exchange;
- a store of economic value;
- a unit of account; and
- an investment.

A virtual asset is not issued by or under the authority of a government body, and may be transferred, stored, or traded electronically.

Furthermore, the 2024 Amendments will extend the ambit of the AML/CTF regime to cover additional designated services from the virtual assets sector.

The additional designated services align with the requirements of FATF Recommendation 15, and include:

- exchanges between virtual assets and fiat currencies;
- exchanges between one or more other forms of virtual assets;
- transfers of virtual assets on behalf of a customer;
- safekeeping or administration of virtual assets; and
- participation in and the provision of financial services related to an issuer’s offer and/or sale of a virtual asset.¹¹

Until the changes come into effect, Australia’s AML/CTF regime only regulates exchanges between virtual assets and fiat currencies.

3.4 To what extent do anti-money laundering requirements apply to non-fungible tokens (“NFTs”)?

Under the AML/CTF Act, non-fungible tokens (NFTs) are captured under the definition of “digital currency”. Under the 2024 Amendments, commencing 31 March 2026, NFTs fall within the definition of “virtual assets” where they function as a transferable store of value or medium of exchange. Thus, persons engaging in NFT-related activities are required to comply with the same obligations as a virtual asset service provider.

3.5 Are certain financial institutions or designated businesses required to maintain compliance programmes? What are the required elements of the programmes?

Yes. The AML/CTF programme consists of two parts, Part A and Part B, and must address matters prescribed by the AML/CTF Act and the AML/CTF Rules.

Under Part A, reporting entities must tailor their programme to identify, mitigate and manage risks of being used for ML/TF. This part can be satisfied by steps including risk assessment frameworks, having an AML/CTF compliance officer

at management level to manage compliance, and training programmes for employees.

Under Part B, reporting entities’ programmes must focus on identifying customers and beneficial owners, including politically exposed persons. This part must include the steps for “know your customer” checks and identifying their beneficial owners, as well as their risks for ML/TF. Applicable CIDPs include:

- the collection and verification of customer identification information through “know your customer” procedures; and
- identifying and verifying the beneficial owner/s of a customer.

The 2024 Amendments, commencing 31 March 2026, will introduce a more outcomes-based customer due diligence (CDD) framework and clarify when enhanced or simplified CDD applies.¹²

3.6 What are the requirements for recordkeeping or reporting large currency transactions? When must reports be filed and at what thresholds?

A reporting entity that provides a designated service that involves the transfer of physical currency of A\$10,000 or more (or the foreign currency equivalent) must submit a TTR to AUSTRAC. This report must be made within 10 business days, and records must be retained for seven years from the date they are created.

3.7 Are there any requirements to report routinely transactions other than large cash transactions? If so, please describe the types of transactions, where reports should be filed and at what thresholds, and any exceptions.

Yes. AUSTRAC requires companies to report:

- IFTIs (see the response to question 2.1 above); and
- suspicious matters (see the response to question 3.11 below).

Under IFTIs, reporting entities are required to report any transfers, of any amount, that involve either:

- an instruction, accepted in Australia, for money/property to be made available in another country; or
- an instruction, accepted in another country, for money/property to be made available in Australia.

Reporting entities must also report the transfer of A\$10,000 in physical currency (see the response to question 3.6 above).

3.8 Are there cross-border transactions reporting requirements? Who is subject to the requirements and what must be reported under what circumstances?

See the response to question 3.7 above.

3.9 Describe the customer identification and due diligence requirements for financial institutions and other businesses subject to the anti-money laundering requirements. Are there any special or enhanced due diligence requirements for certain types of customers?

AUSTRAC requires reporting entities to document CIDPs in Part B of their AML/CTF programme. A reporting entity cannot provide a designated service to a customer unless the applicable CIDPs have been carried out.

AUSTRAC requires reporting entities to apply enhanced due diligence in high-risk situations, including if the self-assessed risk of ML/TF is high, or a customer’s suspicious activity or behaviour meets the threshold for an SMR.

In this high-risk situation, AUSTRAC requires reporting entities to take a range of measures to address the situation, such as gathering more information, verifying the customer's information and monitoring of transactions. AUSTRAC also stresses the importance of maintaining an auditable trail of decision making.

3.10 Are financial institution accounts for foreign shell banks (banks with no physical presence in the countries where they are licensed and no effective supervision) prohibited? Which types of financial institutions are subject to the prohibition?

The AML/CTF Act, under section 95, prohibits ways in which financial institutions enter into a correspondent banking relationship with a shell bank, or the ways in which a financial institution deals with shell banks.

Financial institutions are prohibited, with no exception, from entering into relationships with shell banks, financial institutions that have correspondent banking relationships with shell banks and financial institutions that allow their accounts to be used by shell banks.

Financial institutions that become aware of having such a relationship must terminate their relationship within 20 days.

3.11 What is the criteria for reporting suspicious activity?

AUSTRAC requires reporting entities to submit SMRs, if the reporting entity suspects a person or entity is linked to a crime, is not who they claim to be, or could be the victim of a crime. The crimes include ML/TF, tax evasion, proceeds of crime, and general criminal offences.

The SMRs must be reported only to AUSTRAC, and either within:

- 24 hours, if the suspicion is related to terrorism financing; or
- three business days, if the suspicion is related to other matters such as money laundering.

The reporting entity must not disclose any information about the SMRs, including information from which it could be reasonably inferred that an SMR was submitted. This conduct, known as “tipping off”, is a criminal offence with a penalty of up to two years imprisonment, 120 penalty units, or both.

The AML/CTF Act includes an exception to the condition that SMRs should be to AUSTRAC. An amendment in 2021 allows SMRs and related information to be shared with:

- external auditors; and
- foreign members of the same corporate/designated business group, if sharing a customer, but only if the foreign members are regulated by laws of a foreign country that give effect to some or all of the FATF recommendations.

The existing concept of a “designated business group” will be replaced with a simplified “reporting group” concept under the 2024 Amendments. This enables entities that are under common control to form a reporting group.

3.12 What mechanisms exist or are under discussion to facilitate information sharing 1) between and among financial institutions and businesses subject to anti-money laundering controls, and/or 2) between government authorities and financial institutions and businesses subject to anti-money laundering controls (public-private information exchange) to assist with identifying and reporting suspicious activity?

The Fintel Alliance, headed by AUSTRAC, is a public-private

partnership between 29 entities, including major banks, remittance service providers and gambling operators, as well as law enforcement and security agencies from Australia and overseas. Fintel partners work together on two streams:

- (1) operations, which focuses on current financial intelligence; and
- (2) innovation, which focuses on new technology solutions that assist in gathering and analysing financial intelligence at an operational level.

The Australian Financial Crimes Exchange (AFCX) is an independent, non-profit entity that includes the “big 4” banks, the Department of Home Affairs, and several smaller banks and financial institutions. Members upload financial crime information or data (based on agreed standards) into a secure IT portal, which other members can access in real time. In addition to data accumulation and aggregation, the AFCX is a nexus for communication about financial and cybercrime.

3.13 Is adequate, current, and accurate information about the beneficial ownership and control of legal entities maintained and available to government authorities? Who is responsible for maintaining the information? Is the information available to assist financial institutions with their anti-money laundering customer due diligence responsibilities as well as to government authorities?

Australia does not currently have a beneficial ownership register, or any similar framework for the collection, access, or verification of such information. However, the Australian Government has proposed the creation of a public register of beneficial ownership, which would bring Australia in line with the FATF recommendations.

In furtherance of this, the Treasury released a consultation paper seeking comments on a public register of beneficial ownership on 7 November 2022, and in the 2023 Federal Budget allocated A\$1.9 million to establishing a public registry of beneficial ownership of companies and other legal vehicles, including trusts. On 14 November 2024, the Treasury Laws Amendment Bill 2024: Enhanced Disclosure of Ownership of Listed Entities (Cth) (Exposure Draft) was released for public consultation. On 15 October 2025, the Australian Government announced that it will proceed with the establishment of a public, Commonwealth-operated beneficial ownership register for unlisted companies, intended to provide accurate and up-to-date information regarding the true owners and controllers of companies operating in Australia. The register is intended to strengthen transparency and support regulatory and law-enforcement responses to financial crime. Policy development and stakeholder consultation are expected to continue from early 2027, alongside upgrades to ASIC's companies register to enable integration of beneficial ownership information.¹³

3.14 Is it a requirement that accurate information about originators and beneficiaries be included in payment orders for a funds transfer? Should such information also be included in payment instructions to other financial institutions? Describe any other payment transparency requirements for funds transfers, including any differences depending on role and domestic versus cross-border transactions.

The AML/CTF Act requires banks to obtain information about all parties involved in a funds transfer. This information must include details about the payer, the ordering institution, the

sender (if the sender is not the ordering institution), the beneficiary institution and the payee. Information must also be recorded about any intermediary institutions.

A beneficiary institution may give a written notice to an ordering institution, requesting certain information about the payer. The ordering institution must comply with a written notice within three business days of the day on which the request was given, or within 10 business days if the request was given more than six months after the transfer was originally accepted. International funds transfers must be reported to AUSTRAC within 10 business days.

3.15 Is ownership of legal entities in the form of bearer shares permitted?

Bearer shares are not permitted under Australian law. The Corporations Act 2001 (Cth) prohibits Australian companies from issuing bearer shares.

The exception is if a company has transferred its registration to Australia from a jurisdiction where bearer shares are legal. Here, the bearer shareholder will have the option to surrender their bearer share. They must then cancel the bearer share and include the bearer's name on their register of members.

3.16 Are there specific anti-money laundering requirements applied to non-financial institution businesses, e.g., currency reporting?

See the response to question 3.1 above. From 1 July 2026, further requirements are expected to be imposed on non-financial institution businesses after "Tranche 2" amendments commence.

3.17 Are there anti-money laundering requirements applicable to certain business sectors, such as persons engaged in international trade or persons in certain geographic areas such as free trade zones?

No. AML/CTF requirements are generally applicable with respect to customers who receive designated services from the reporting entity. Some obligations only apply if a person is connected to a prescribed foreign country, which currently includes the Democratic People's Republic of Korea and Iran.

3.18 Are there government initiatives or discussions underway regarding how to modernise the current anti-money laundering regime in the interest of making it more risk-based and effective, including by taking advantage of new technology, and lessening the compliance burden on financial institutions and other businesses subject to anti-money laundering controls?

Any government initiatives and discussions underway stem from the statutory review discussed in the response to question 4.1 below.

4 General

4.1 If not outlined above, what additional anti-money laundering measures are proposed or under consideration?

The rollout of the 2024 Amendments to the Australian AML/CTF regime remain an ongoing focus of lawmakers and

regulators in Australia, to bring Australia's regime in line with the FATF standards.

AUSTRAC has issued detailed reform guidance outlining the new obligations that will apply to both existing reporting entities and newly regulated sectors. The reforms introduce a more risk-based and outcomes-focused regulatory framework and significantly expand the scope of regulated services and entities.¹⁴

Key implementation milestones include:

- 31 March 2026: commencement of major reforms affecting existing reporting entities, including revised CDD requirements, updated AML/CTF programme expectations, new governance and risk-management obligations, and replacement of the "designated business group" concept with a simplified reporting group framework;¹⁵
- 31 March 2026: AUSTRAC enrolment opens for newly regulated sectors and virtual asset service providers;¹⁶ and
- 1 July 2026: AML/CTF obligations commence for newly captured "Tranche 2" entities, including legal practitioners, accountants, real estate professionals, and dealers in precious metals and stones.¹⁷

4.2 Are there any significant ways in which the anti-money laundering regime of your country fails to meet the recommendations of the Financial Action Task Force ("FATF")? What are the impediments to compliance?

The FATF evaluated Australia's AML/CTF regime between 2014 and 2015, releasing its mutual evaluation report (MER) in April 2015. The FATF identified deficiencies in Australia's compliance with FATF recommendations,¹⁸ and recommended that Australia:

- focus more on identifying ML/TF risks, with a particular emphasis on the not-for-profit sector;
- substantially improve the mechanisms for ascertaining and recording beneficial owners in the context of CDD, especially in the context of trustee information retention;
- take an active role in investigating and prosecuting money laundering offences; and
- extend the AML/CTF regime to designated non-financial businesses and professions (see the response to question 4.1 above).

The report is available on the FATF's website at: <https://www.fatf-gafi.org/en/publications/Mutualevaluations/Mer-australia-2015.html>

In March 2024, the FATF published a follow-up report, noting improvements in Australia's technical compliance across various deficiencies identified in the 2015 MER. Ongoing deficiencies identified by FATF in the follow-up report included the following:

- An absence of an overarching national AML/CTF strategy.
- Limited available sanctions outside a criminal case.
- Reporting entities not being legally required to ensure that the records are available to all competent authorities.
- Australia relying exclusively on ASIC to trace beneficial ownership of shares, which only deals with publicly-listed companies – no such mechanism exists for private companies or legal persons established under state/territory legislation.

This report is available on its website at: <https://www.fatf-gafi.org/en/publications/Mutualevaluations/Australia-fur-2024.html>

4.3 Has your country's anti-money laundering regime been subject to evaluation by an outside organisation, such as the FATF, regional FATFs, Council of Europe (Moneyval) or IMF? If so, when was the last review?

See response to question 4.2 above.

4.4 Please provide information on how to obtain relevant anti-money laundering laws, regulations, administrative decrees and guidance from the Internet. Are the materials publicly available in English?

The AML/CTF Act and related legislation are published on the following website: <https://www.legislation.gov.au/C2006A00169/latest/text>. AUSTRAC publishes guidance on its website at: <https://www.austrac.gov.au>

All primary materials and regulatory guidance are available in English.

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Dennis Miralis is the principal of Nyman Gibson Miralis and is a leading Australian defence lawyer specialising in international criminal law, with a focus on complex multi-jurisdictional regulatory investigations and prosecutions. His areas of expertise include: bribery and corruption; global tax investigations; proceeds of crime; AML; worldwide freezing orders; cybercrime; national security law; Interpol Red Notices; extradition; and mutual legal assistance law. Dennis advises individuals and companies under investigation for economic crimes both locally and internationally. He has extensive experience in dealing with all major Australian and international investigative agencies.

Nyman Gibson Miralis
Level 9, 299 Elizabeth Street
Sydney NSW 2000
Australia

Tel: +61 2 9264 8884
Email: dm@ngm.com.au
LinkedIn: www.linkedin.com/in/dennis-miralis-criminal-lawyer



Kartia Zappavigna is a senior associate whose practice focuses on tax and corporate offences, fraud, money laundering and proceeds of crime. She also has extensive experience in international criminal and international criminal co-operation matters including national security, extradition, Interpol Notices and mutual legal assistance requests.

Nyman Gibson Miralis
Level 9, 299 Elizabeth Street
Sydney NSW 2000
Australia

Tel: +61 2 9264 8884
Email: kz@ngm.com.au
LinkedIn: www.linkedin.com/in/kartia-zappavigna-b2123a104



Jack Dennis is an associate who brings significant experience in international, corporate and tax matters to his role at Nyman Gibson Miralis, having worked at a top-tier commercial firm and advised on cross-border transactions and disputes involving foreign and domestic corporations and individuals across the software, financial services and crypto industries. His international criminal work involves transnational criminal and regulatory investigations, often working in parallel with other jurisdictions to co-ordinate with foreign law enforcement, intelligence and regulatory agencies. Through such matters, Jack has developed expertise in extraditions, sanctions, customs, white-collar crime and national security.

Nyman Gibson Miralis
Level 9, 299 Elizabeth Street
Sydney NSW 2000
Australia

Tel: +61 2 9264 8884
Email: jd@ngm.com.au
LinkedIn: www.linkedin.com/in/jack-jon-dennis



Phillip Salakas is a senior lawyer who assists the partners with complex criminal matters and investigations involving corporate and financial crime as part of Nyman Gibson Miralis' white-collar crime team. Phillip has completed a Bachelor of Laws degree at the University of Technology Sydney and has previously worked in the area of general crime.

Nyman Gibson Miralis
Level 9, 299 Elizabeth Street
Sydney NSW 2000
Australia

Tel: +61 2 9264 8884
Email: psa@ngm.com.au
LinkedIn: www.linkedin.com/in/phillip-salakas

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