PANORAMIC

ANTI-MONEY LAUNDERING

Australia

LEXOLOGY

Anti-Money Laundering

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DOMESTIC LEGISLATION

Domestic law

Identify your jurisdiction's money laundering and anti-money laundering (AML) laws and regulations. Describe the main elements of these laws.

In Australia, the legal framework addressing money laundering encompasses layers of legislation at both the federal and state or territory levels.

At the federal level, two primary legislative streams underpin anti-money laundering efforts:

- the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), which establishes the obligations, civil penalty provisions and compliance-related offences foundational to setting compliance requirements; and
- the Criminal Code Act 1995 (Cth) (Criminal Code), which details federal offences related to money laundering.

At the state and territory level across Australia, each jurisdiction has enacted its own criminal provisions concerning money laundering:

- New South Wales: Crimes Act 1900, Part 4AC;
- Victoria: Crimes Act 1958, Part I, Division 2A;
- Queensland: Criminal Proceeds Confiscation Act 2002, Chapter 9;
- South Australia: Criminal Law Consolidation Act 1935, Part 5, Division 4;
- Western Australia: Criminal Code Act 1913, Part VII, Chapter LIX;
- Tasmania: Crime (Confiscation of Profits) Act 1993, Part 6A;
- Australian Capital Territory: Crimes Act 1900, Part 6, Division 6.2A; and
- Northern Territory: Criminal Code Act 1982 (NT): Part VII, Division 3A.

The federal Criminal Code specifically defines the offence of money laundering as involving 'dealing' with 'money or other property' that is reasonably believed to be the proceeds of crime. The essential elements of the money laundering offences under the federal law generally include:

- the existence of money or property;
- a 'dealing' with that money or property, defined under the Criminal Code to include actions such as receiving, possessing, concealing, disposing of, importing, exporting or engaging in a banking transaction concerning the money or property (section 400.2); and
- the person believed that the money or property was the proceeds of a crime or intended the money or property to be an instrument of crime (or was reckless or negligent about that fact).

Different offences may specify varying states of mind as necessary components, with certain physical elements of an offence sometimes carrying absolute liability – for example, the total amount or value of the money or property involved.

Law stated - 10 April 2026

Investigatory powers

Describe any specific powers to identify proceeds of crime or to require an explanation as to the source of funds.

Agencies tasked with investigating proceeds of crime or source of funds include the Australian Criminal Intelligence Commission, the Australian Federal Police, the Australian Taxation Office, the Australian Transaction Reports and Analysis Centre, and the Australian Securities and Investments Commission. State and territory law enforcement agencies and police may also investigate violations of money laundering laws.

In Australia, specific powers are given to identify proceeds of crime and to require explanations as to the source of funds. These are entrenched at various levels of the Australian legal framework, including at the Commonwealth (federal), state and territory level. The Commonwealth has robust provisions under the Proceeds of Crime Act 2002 (Cth) (POC Act), such as powers for law enforcement to seize and restrain assets suspected of being derived from or used in criminal activity.

Notably, Part 2-6 of the POC Act deals with unexplained wealth orders. Under these orders, individuals suspected of holding wealth that exceeds their lawful income are required to prove, on the balance of probabilities, that their wealth was lawfully acquired. Failure to provide a satisfactory explanation can result in the seizure of assets.

Since 2018, the National Cooperative Scheme on Unexplained Wealth has been operational in New South Wales, the Australian Capital Territory and the Northern Territory. This scheme bolsters the capacity of law enforcement to track, pinpoint and confiscate assets lacking lawful origins. This scheme was subject to an independent statutory review in 2024, which resulted in a series of recommendations that may be the subject of further consultation and future reform.

Moreover, in February 2021, the Australian Parliament enacted legislation to establish a new category known as proceeds of general crime. This legislation removed the prior requirement for property or money to be directly linked to a specific indictable offence. The threshold for legal action was lowered, broadening the scope for prosecution and enabling authorities to target controllers of money laundering networks more effectively.

Law stated - 10 April 2026

MONEY LAUNDERING

Criminal enforcement

Which government entities enforce your jurisdiction's money laundering laws?

In Australia, at the national level, money laundering laws are enforced by several government entities, including the Commonwealth Director of Public Prosecutions (CDPP). The CDPP is the primary government agency responsible for the prosecution of money laundering offences. The CDPP's remit includes prosecuting money laundering offences that are

criminalised under the Criminal Code Act 1995 (Cth) (Criminal Code). The CDPP is assisted by the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Australian Federal Police, the Department of Home Affairs and other Commonwealth departments and agencies in prosecuting money laundering offences.

At the state and territory level, the respective state or territory's police and public prosecutions office have the authority to investigate and prosecute money laundering offences that fall under their jurisdiction.

Law stated - 10 April 2026

Defendants

Can both natural and legal persons be prosecuted for money laundering?

The Criminal Code, which includes 19 offences related to money laundering, applies equally to bodies corporate and individuals.

Law stated - 10 April 2026

The offence of money laundering

What constitutes money laundering?

The Criminal Code defines money laundering offences in terms of 'dealing' with 'money or other property' reasonably believed to be the proceeds of crime. It also covers proceeds that will be 'instruments of crime'. There are different tiers of money laundering offences depending on the value of the money or property in question.

The CDPP must prove (1) the physical elements that create the offence, relevant to establishing guilt, and (2) the fault element (ie, the state of mind), if any, that is required for each physical element.

Broadly, the elements of many money laundering offences are the following:

- the existence of money or property;
- a 'dealing' in the money or property. Under the Criminal Code, 'dealing' occurs when a person receives, possesses, conceals or disposes, imports, exports or engages in a banking transaction relating to the money or other property (section 400.2 of the Criminal Code); and
- the individual involved must have believed that the money or property was derived from a crime, intended for it to be used to commit a crime, or was reckless or negligent regarding these facts.

The precise state of mind varies depending on the offence; however, certain physical elements of an offence attract absolute liability (eg, total money or value of the property) – for example, section 400.2A(5) of the Criminal Code covers where money or other property is taken to be "intended to become, or at risk of becoming, an instrument of crime" and where "dealing with the money or other property" is taken to have occurred, and section 400.2B(10) covers the value of the property and assets.

Liability may arise for financial institutions and other businesses centred around money handling if they fail to implement adequate checks and controls to prevent money laundering related to their customers' activities.

Law stated - 10 April 2026

The offence of money laundering

Can financial institutions or other money-centred businesses be prosecuted or pursued for their customers' money laundering crimes?

Financial institutions and money-centred businesses can be prosecuted or pursued in relation to their customers' money laundering crimes via the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act) or the Criminal Code.

AML/CTF Act

The AML/CTF Act imposes several money-laundering prevention obligations on designated services. The Act defines a designated service as a service that is listed in section 6 of the AML/CTF Act and that meets the geographical link.

Broadly speaking, the AML/CTF Act extend to the following industries and business activities:

- banking services, including authorised deposit-taking institutions such as banks, credit unions and building societies;
- remittance service providers;
- certain cryptocurrency exchanges and digital asset services that operate as exchanges or trading platforms for cryptocurrencies or facilitate the exchange, purchase or sale of digital assets. This was extended on 31 March 2026, with a 'virtual asset' meaning digital representation of value that functions as a medium of exchange, store of economic value, unit of account or investment;
- gambling services operating casinos, online gambling platforms or other betting services; and
- bullion and precious metals dealers.

From 1 July 2026, the following industries will also have AML/CTF obligations:

- real estate professionals and conveyancers;
- lawyers;
- accountants; and
- trust and company service providers.

The AML/CTF regime establishes six key regulatory obligations that regulated entities must comply with to protect businesses from misuse by criminals as follows:

- Customer due diligence: regulated entities must verify a customer's identity before providing a designated service and understand the customer's risk profile.
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Ongoing customer due diligence: regulated entities must conduct ongoing customer due diligence throughout the course of the business relationship, including transaction monitoring and enhanced customer due diligence.

- Reporting: regulated entities must report to AUSTRAC all 'suspicious matters', cash transactions of A$10,000 or more, all instructions for the transfer of value sent into or out of Australia, and annual compliance reports. All persons must report cross-border movements of monetary instruments above the threshold of A$10,000 or the foreign equivalent.
- Developing and maintaining an AML/CTF programme: regulated entities must identify the risks they face in providing designated services to customers and develop and maintain an AML/CTF programme containing systems and controls to mitigate and manage those risks.
- Record keeping: regulated entities must make and retain certain records that can assist with the investigation of financial crime or that are relevant to their compliance with the AML/CTF regime for seven years and ensure they are available to law enforcement if required.
- Enrolment and registration with AUSTRAC: regulated entities must enrol with AUSTRAC if they provide a designated service. In addition, remittance service providers and digital currency exchange providers must also register with AUSTRAC to permit additional checks to ensure that criminals and their associates are kept out of these sectors.

Entities that fail to meet their AML/CTF obligations, fail to prevent money laundering offences or withhold information from AUSTRAC concerning money laundering offences or operations can be prosecuted criminally and fined under the AML/CTF Act.

Criminal Code

Separately, the Criminal Code sets out criminal offences targeting the conduct of more than just 'reporting entities', covering all Australian citizens, residents, body corporates and more, depending on where the alleged money laundering or related offences occur.

Law stated - 10 April 2026

Qualifying assets and transactions

Is there any limitation on the types of assets or transactions that can form the basis of a money laundering offence?

Australian criminal law defines money laundering offences to encompass a wide variety of 'money' and 'property'. Under section 400.1 of the Criminal Code, this includes:

- all forms of real or personal property, whether they are tangible or intangible and located domestically or internationally;
- interests in the same; and
- financial instruments, cards and other items that either symbolise money or can be converted into money, even if they lack intrinsic value.

The severity of money laundering offences and the corresponding penalties can vary significantly depending on the value of the money or property in question.

Where the property value is A$10 million or more, individuals face life imprisonment and/or a fine of 2,000 penalty units (approximately A$660,000 since November 2024). Corporations can face a fine of 10,000 penalty units.

Law stated - 10 April 2026

Predicate offences

Generally, what constitute predicate offences?

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.

In certain circumstances, individuals can be charged with money laundering offences even when the predicate offence occurs entirely outside Australia (section 400.15 of the Criminal Code).

Law stated - 10 April 2026

Defences

Are there any codified or common law defences to charges of money laundering?

The Criminal Code contains specific defences to charges of money laundering. One such codified defence under the Criminal Code is based on a mistake of fact concerning the value of the money or property involved. This defence is considered partial because it does not completely exonerate the accused, but it may reduce the severity of the charge. The defence applies if the person genuinely, albeit mistakenly, believed in a different value of the money or property and that belief was reasonable under the circumstances.

Under the AML/CTF Act, there is a defence so long as the accused has taken appropriate precautions and exercised due diligence to prevent the contravention for which they are being prosecuted (section 236(2)).

Law stated - 10 April 2026

Resolutions and sanctions

What is the range of outcomes in criminal money laundering cases?

Where money laundering breaches financial regulations, Australian financial regulatory bodies such as the Australian Securities and Investments Commission and AUSTRAC can take civil 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, with regulators often releasing statements that detail the settlement terms, although some terms may remain confidential.

Under the Criminal Code, the penalties for money laundering vary based on the value of the money or property involved and the offender's degree of knowledge.

For individuals, the maximum penalty is life imprisonment or a fine of 2,000 penalty units (A$660,000). However, this is only for money or property worth A$10 million or more. At the lower range of value, for money or property worth less than A$10,000, the maximum penalty is either six or 12 months' imprisonment or 30 penalty units (A$9,900) (the maximum penalty of imprisonment will depend on the offender's knowledge).

For corporations, the maximum penalty is a fine of 10,000 penalty units (A$3.3 million).

One penalty unit has been worth A$330 since 7 November 2024 (Crimes Act 1914, section 4AA). See https://www.afsa.gov.au/professionals/resource-hub/penalty-units.

Law stated - 10 April 2026

Forfeiture and other remedies

Describe any related asset freezing, seizure, forfeiture, disgorgement and victim compensation laws.

Australia's anti-money laundering framework incorporates laws designed to confiscate assets acquired through money laundering activities. At the national level, the Proceeds of Crime Act empowers law enforcement to seize assets related to criminal offences post-conviction. A key feature of this Act is the unexplained wealth provisions in Part 2-6, which require individuals under scrutiny to demonstrate on the balance of probabilities that their wealth was not derived from crimes against Commonwealth laws, foreign indictable offences or state offences with a federal dimension. The Act broadly defines assets, encompassing any form of money, real estate and personal property, whether tangible or intangible, and located within or outside Australia.

Additionally, each Australian state and territory has its own legislation for recovering assets tied to state-level crimes.

In 2018, the National Cooperative Scheme on Unexplained Wealth was established to boost the capabilities of both Commonwealth and state or territory law enforcement bodies in tracking, identifying and confiscating assets not linked to legal sources. This scheme is currently active in New South Wales, the Australian Capital Territory and the Northern Territory. In 2024, the scheme was subject to an independent statutory review. Based on the government responses, there could be further consultation and reforms ahead.

Law stated - 10 April 2026

Limitation periods on money laundering prosecutions

What are the limitation periods governing money laundering prosecutions?

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

Law stated - 10 April 2026

Extraterritorial reach of money laundering law

Do the money laundering laws applicable in your jurisdiction have extraterritorial reach?

The money laundering offences defined by Division 400 of 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".

For conduct occurring wholly outside Australia, this applies where:

- the money or property is likely to become or is at risk of becoming 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.

In Australia, laundering money obtained from foreign crimes is equally punishable under the Criminal Code. Similarly, the AML/CTF Act 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.

Law stated - 10 April 2026

AML REQUIREMENTS FOR COVERED INSTITUTIONS AND INDIVIDUALS

Enforcement and regulation

Which government entities enforce the AML regime and regulate covered institutions and persons in your jurisdiction?

The Australian Transaction Reports and Analysis Centre (AUSTRAC) serves as the primary authority overseeing anti-money laundering (AML) compliance and enforcement in Australia. It possesses extensive powers of investigation and enforcement. Additional agencies, including the Australian Federal Police, the Australian Border Force, the Australian Criminal Intelligence Commission and the Australian Taxation Office, support federal money laundering investigations and prosecutions.

Law stated - 10 April 2026

Enforcement and regulation

Do the AML rules provide for ongoing and periodic assessments of covered institutions and persons?

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act) generally requires that a reporting entity adopt and maintain an AML/CTF programme. These programmes require ongoing and periodic assessments of policies, procedures and frameworks in relation to the AML/CTF regime. AUSTRAC also ensures that all regulated entities submit an annual compliance report regarding their AML/CTF obligations.

Law stated - 10 April 2026

Covered institutions and persons

Which institutions and persons must have AML measures in place?

Australia's AML/CTF laws target 'reporting entities' that provide 'designated services'. This includes sectors such as banking, insurance, gambling, bullion dealing and potentially certain legal, accounting and real estate services. AUSTRAC regularly reassesses the regulated sector.

Regulated entities have the following obligations:

- they must file threshold transaction reports (TTRs), international funds transfer instructions (IFTIs) and suspicious matter reports (SMRs), and keep detailed records;
- they must implement risk-based AML/CTF programmes; and
- they are directly monitored by AUSTRAC, which can enforce penalties against non-compliant reporting entities.

Law stated - 10 April 2026

Covered institutions and persons

How do regulated and non-regulated sector AML obligations differ?

See question above.

Law stated - 10 April 2026

Compliance

Do the AML laws applicable in your jurisdiction require covered institutions and persons to implement AML compliance programmes? What are the required elements of such programmes?

Australian law requires covered institutions to have an AML/CTF programme designed to combat money laundering and terrorism financing.

Previously, these programmes had two core parts (Part A and Part B). However, from 31 March 2026, the AML/CTF programme requirements shifted from a compliance-based approach to a risk-based and outcomes-orientated approach. This introduces flexibility and simplifies the obligations. For example, low risk businesses now have less onerous obligations.

AUSTRAC offers detailed guidance on its website to help covered entities develop effective AML/CTF programmes.

Law stated - 10 April 2026

Breach of AML requirements

What constitutes breach of AML duties imposed by the law?

Breaches of the AML/CTF Act can encompass several actions, including:

- enrolment and programme failures – not enrolling with AUSTRAC or having an inadequate AML/CTF programme;
- breach of reporting obligations – neglecting to file TTRs, IFTIs or SMRs;
- deliberate misinformation – knowingly submitting false or misleading information to AUSTRAC or during customer identification; and
- structuring to avoid reporting – intentionally breaking down transactions to fall below reporting thresholds.

Australian AML laws strictly prohibit 'tipping off'. This involves disclosing information that could hinder an investigation into suspicious matters or transactions (Part 14 of the AML/CTF Act). While there are limited exceptions for obtaining legal advice, these are complex and should be reviewed with an attorney.

Law stated - 10 April 2026

Breach of AML requirements

Can a covered institution or person request consent from an authority to perform a transaction that would otherwise be a criminal offence?

Under the AML/CTF Act, a reporting entity cannot seek consent to perform an illegal transaction. However, section 235 of the AML/CTF Act protects employees of a reporting entity from civil or criminal liability for acts or omissions carried out in good faith in some circumstances.

Law stated - 10 April 2026

Customer and business partner due diligence

Describe due diligence requirements in your jurisdiction’s AML regime.

The AML/CTF Act requires collecting and verifying customer identity information (name, address, etc), both for individuals and businesses. Particular emphasis is placed on identifying beneficial owners – those who ultimately control or benefit from the entity.

Ongoing due diligence

Reporting entities must actively monitor transactions for consistency with customer profiles and risk assessments. Customer information must be kept up to date, with enhance due diligence applied when risk profiles change. Enhanced due diligence involves increased scrutiny and verification.

Beneficial ownership

Australia's AML regime focuses on uncovering beneficial owners to understand who truly profits from business relationships. This involves collecting information on company structures, decision-makers and those who financially benefit.

Law stated - 10 April 2026

High-risk categories of customers, business partners and transactions

Do the AML rules applicable in your jurisdiction require that covered institutions and persons conduct risk-based analyses? Which high-risk categories are specified? What level of due diligence is expected in relation to customers assessed to be high risk?

Australian AML rules require covered entities to assess money laundering and terrorism financing risks specific to their operations. Factors typically increasing risk include customer type (politically exposed persons (PEPs), complex ownership), services (cash-heavy, remote), geography (weak AML countries) and transaction channels enabling anonymity.

Enhanced due diligence

High-risk situations demand greater scrutiny. Enhanced due diligence may involve obtaining additional information, verifying source of funds, frequent transaction monitoring and senior management sign-off.

For example, specific rules apply in relation to the following:

- PEPs – covered entities must seek additional information on source of wealth, especially when linked to high-risk countries;
- correspondent banks – covered entities must assess theses banks' AML practices, particularly those located in high-risk jurisdictions;
- foreign entities – covered entities must exercise caution, especially in relation to those from countries with inadequate AML controls;
- cross-border transfers – covered entities must pay close attention to originator or beneficiary information, especially for transfers involving high-risk regions; and
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trade finance – covered entities must look out of red flags such as price discrepancies, unusual shipping routes or insufficient documentation.

Law stated - 10 April 2026

Record-keeping and reporting requirements

Describe the record-keeping requirements for covered institutions and persons.

Reporting entities are required to maintain detailed records of transactions involving designated services, including customer identification information and supporting documents. These records must be kept for at least seven years after a transaction is completed or a business relationship ends.

Reporting entities have specific reporting obligations under the AML regime, which are:

- SMRs – these must be filed when there is a reasonable suspicion of money laundering, terrorism financing or other serious crimes. SMRs related to terrorism financing must be submitted within 24 hours, while other SMRs should be filed within three business days;
- TTRs – these are required for cash transactions above A$10,000, to be submitted within 10 business days;
- IFTIs – these require reporting of electronic transfers to or from Australia within 10 business days; and
- cross-border movement reports – these must be submitted for physical currency movements over A$10,000 across Australian borders.

Additionally, AUSTRAC Compliance Reports must be provided when AUSTRAC requests evidence of AML compliance.

Law stated - 10 April 2026

Record-keeping and reporting requirements

Describe any reporting requirements for suspicious activity for covered institutions and persons.

The AML/CTF Act requires SMRs when compliance officers have formed a suspicion that a customer or transaction is related to criminal activity.

AUSTRAC states that reporting entities must submit their report within 24 hours of becoming suspicious if the suspicious activity relates to terrorism financing or within three business days for anything else.

An SMR can be lodged through the AUSTRAC Online portal.

Under the AML/CTF Amendment, this requirement remains the same, except there are now codified exceptions for information that the reporting entity reasonably believes is subject to legal professional privilege.

Law stated - 10 April 2026

Privacy laws

Describe any privacy laws that affect record-keeping requirements, due diligence efforts and information sharing.

Reporting entities have obligations under the Privacy Act 1988 (Cth) to report data breaches to the Office of the Australian Information Commissioner. A data breach occurs when personal information that the reporting entity holds is accessed or disclosed without authorisation, or is lost. For best practice, AUSTRAC should also be notified.

Law stated - 10 April 2026

Privacy laws

Does the law permit covered institutions and persons to share records or other information with (domestic or foreign) law enforcement and regulators, FIUs or other covered institutions and persons?

Section 127 of the AML/CTF Act governs the disclosure of AUSTRAC information to foreign governments and agencies, including domestic agencies. Sections 127 (1)(a) and 127 (2)(c) of the Act provide safeguards in order to:

- protect the confidentiality of the information;
- control the use that will be made of the information;
- ensure that the information will be used only for the purpose for which it is disclosed to the government of the foreign country or to the foreign agency; and
- ensure that it is appropriate, in all circumstances of the case, to do so.

Law stated - 10 April 2026

Resolutions and sanctions

What is the range of outcomes in AML controversies?

AUSTRAC has several ways to address AML non-compliance, ranging from negotiated agreements to severe penalties, including:

- negotiated outcomes – enforceable undertakings (voluntary corrective action plans) or remedial directions (mandated fixes) can be used for less serious breaches;
- penalties – civil penalty orders (court-imposed fines) and infringement notices (fines for specific violations) are possible; and
- criminal prosecution – in the most severe cases, individuals and entities could face criminal charges, potentially leading to imprisonment and fines.

AUSTRAC's response is tailored to the severity of the breach, the entity's cooperation and the need for broader deterrence.

Law stated - 10 April 2026

Resolutions and sanctions

What are the possible sanctions for breach of AML laws?

Apart from the civil penalties and undertakings mentioned in the previous question, there are possible sanctions that can be reputational, operational and personal criminal liability. Breaches of AML laws can tarnish an organisation's reputation, which can adversely affect a business's ability to maintain client trust.

A notable example would be a bank, which can see a decline in business due to a lack of trust. For operations, businesses that operate on a global or regional scale may have their operations restricted for breaching AML laws.

Lastly, there is a risk that directors or executive officers may be at risk of being criminally liable for breaching AML laws or directors' duties related to the AML laws. For example, see the Federal Court decision in *Australian Securities and Investments Commission v Bekier* (Liability Judgment) [2026] FCA 196.

Law stated - 10 April 2026

Limitation periods for AML enforcement

What are the limitation periods governing AML matters?

While there is no statute of limitations for most enforcement actions, for civil proceedings, AUSTRAC must apply to the Federal Court for a civil penalty order within six years of the date of contravention. Whereas for criminal proceedings, at a federal level, prosecutors have a year to bring proceedings after the commission of a money laundering offence.

Law stated - 10 April 2026

Extraterritoriality

Do your jurisdiction's AML laws have extraterritorial reach?

Australia's AML laws have an extraterritorial reach, meaning they can apply to foreign institutions and individuals, as well as to activities that occur outside Australia. Specifically, money laundering offences under the Criminal Code Act 1995 (Cth) can be charged even when the predicate offence occurs entirely outside Australia. This is possible when certain conditions are met, such as:

- the money or property involved is likely to become or is at risk of becoming proceeds of crime in relation to violations of Australian indictable offences;
- the person involved in the offence is an Australian citizen, resident or corporation; and
-

the offence is an ancillary offence to a primary offence that occurred or was intended to occur wholly or partly in Australia, or wholly or partly on board an Australian aircraft or ship.

These provisions allow Australian authorities to act against money laundering offences that have connections to the country, even if the criminal conduct took place outside its borders.

Law stated - 10 April 2026

CIVIL CLAIMS

Procedure
Enumerate and describe the required elements of a civil claim or private right of action against money launderers and covered institutions and persons in breach of AML laws.

While Australia's anti-money laundering (AML) laws do not provide a specific private right of action to sue solely for breaches of those laws, this does not mean victims are without recourse. Individuals or entities harmed by financial crimes where money laundering played a role may pursue civil claims based on other legal grounds, including:

- breach of contract, where money laundering violates a binding agreement; and
- negligence, if a reporting entity's AML failures caused demonstrable harm.

To demonstrate this principle, an example would be class action lawsuits against Australian banks for misleading investors about their AML risk management. The plaintiffs may allege financial harm due to the banks' actions, linked to potential AML-related failings.

Law stated - 10 April 2026

Procedure
What is the limitation period on a civil claim?

As Australian AML laws do not provide a specific right of action to sue for breaches of AML laws, there will be no limitation period for a civil claim.

Law stated - 10 April 2026

Damages
How are damages calculated?

As there is no specific right of action to sue for breach of AML laws, damages cannot be calculated.

Law stated - 10 April 2026

Other remedies

What other remedies may be awarded to successful claimants?

As there is no specific right of action to sue for beach of AML laws, other remedies cannot be awarded.

Law stated - 10 April 2026

INTERNATIONAL MONEY LAUNDERING EFFORTS

Supranational

List your jurisdiction's memberships of supranational organisations that address money laundering.

Australia is a member of the following supranational organisations:

- the Financial Action Task Force (FATF);
- the Egmont Group of Financial Intelligence Units; and
- the Asia/Pacific Group on Money Laundering.

Australia also has observer status within the Middle East and North Africa Financial Action Task Force and the Eastern and Southern Africa Anti-Money Laundering Group.

Law stated - 10 April 2026

Anti-money laundering assessments

Give details of any assessments of your jurisdiction's money laundering regime conducted by virtue of your membership of supranational organisations.

The FATF evaluated Australia's anti-money laundering and counter-terrorism financing (AML/CTF) regime in 2014–2015, releasing its report in April 2015. The report is available on the FATF's website.

In 2015, the FATF identified deficiencies in Australia's compliance with FATF recommendations. The FATF has recommended Australia to:

- focus more on identifying money laundering and terrorism financing 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 customer due diligence, 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.

In November 2018, the FATF published its third follow-up report, noting a small improvement in Australia's compliance but without any significant improvement in other issues – for instance, correspondent banking and designated non-financial businesses and professions remained non-compliant; this report is available on the FATF website.

On 27 March 2024, the FATF published its fourth enhanced follow-up report, which is available on its website, with technical compliance re-ratings. Overall, Australia has made progress in addressing some deficiencies and the following recommendations have been re-rated:

- Recommendation 10: customer due diligence is re-rated from partially compliant to largely compliant;
- Recommendation 13: correspondent banking is re-rated from non-compliant to compliant;
- Recommendation 15: new technologies have been re-rated from compliant to partially compliant;
- Recommendation 17: reliance on third parties is re-rated from partially compliant to compliant;
- Recommendation 18: international controls and foreign branches and subsidiaries are re-rated from partially compliant to largely compliant; and
- Recommendation 26: regulation supervision of financial institutions is re-rated from partially compliant to largely compliant.

The FATF will assess Australia's compliance with international AML/CTF standards in late 2026. Current analysis indicates a material risk that the FATF may place Australia on its 'grey list' following this review. Such a listing would classify Australia as a jurisdiction with strategic deficiencies in its AML/CTF framework, alongside countries including Haiti, Nigeria, Syria and Yemen.

Law stated - 10 April 2026

FIUs

Give details of your jurisdiction's Financial Intelligence Unit (FIU).

The Australian Transaction Reports and Analysis Centre (AUSTRAC) is Australia's financial intelligence unit. AUSTRAC is a member of the Egmont group of FIUs.

Law stated - 10 April 2026

Mutual legal assistance

In which circumstances will your jurisdiction provide mutual legal assistance with respect to money laundering investigations? What are your jurisdiction's policies and procedures with respect to requests from foreign countries for identifying, freezing and seizing assets?

In its capacity as the FIU, AUSTRAC ensures that financial intelligence relating to serious criminal activity is disseminated as appropriate to state and federal law enforcement agencies and, if necessary, to foreign governments.

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) sets out the circumstances in which the CEO of AUSTRAC is able to pass on information to foreign states.

Information is only eligible to be disseminated if a foreign government has requested it for purposes of:

- gathering intelligence or pursuing an investigation in relation to offences including money laundering, terrorism financing or other serious crimes; and
- assessing or investigating compliance with regulatory obligations.

The AUSTRAC CEO can also volunteer information if it is likely to be of assistance to a foreign government in relation to a serious crime, including money laundering or terrorism funding.

Law stated - 10 April 2026

UPDATE AND TRENDS

Enforcement and compliance

Describe any national trends in criminal money laundering schemes and enforcement efforts.

The Australian Transaction Reports and Analysis Centre (AUSTRAC) has continued with its enforcement of anti-money laundering and counter-terrorism financing (AML/CTF) compliance in the banking and gambling industries in Australia in 2025–2026.

In late 2025, AUSTRAC initiated an enforcement investigation into Bendigo and Adelaide Bank following identified deficiencies in the bank's AML/CTF framework. This action followed an independent review conducted by Deloitte, which revealed significant shortcomings in the bank's capacity to identify, mitigate and manage risks associated with money laundering and terrorism financing.

AUSTRAC's investigation is grounded in concerns that the bank may have failed to comply with its statutory obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act). The regulator has indicated that its inquiry will assess the adequacy of the bank's AML/CTF systems, controls and governance arrangements, particularly in light of the bank's own disclosure of deficiencies. This reflects AUSTRAC's broader supervisory approach, which combines ongoing monitoring with enforcement action where systemic compliance failures are suspected.

The investigation also aligns with coordinated regulatory action undertaken alongside the Australian Prudential Regulation Authority (APRA).

In 2025, AUSTRAC also commenced civil penalty proceedings in the Federal Court of Australia against Mount Pritchard District and Community Club, alleging serious and systemic breaches of Australia's AML/CTF regime. The proceedings focus on alleged non-compliance with the AML/CTF Act, particularly the failure to establish and maintain a compliant AML/CTF programme in accordance with the AML/CTF Rules.

AUSTRAC contends that deficiencies in the club's AML/CTF framework exposed the organisation to heightened risks of criminal exploitation.

Law stated - 10 April 2026

Enforcement and compliance

Describe any national trends in AML enforcement and regulation.

AUSTRAC is still following its 2024 regulatory priorities, which are tailored to its 2023–2027 corporate plan. The priorities are as listed:

- Money laundering and terrorism financing (ML/TF) risk: educate businesses on risk and assess the design and effectiveness of their ML/TF risk assessments;
- AML/CTF programmes: assist businesses in how they will identify, manage and mitigate the risk of their products and services being used for money laundering and terrorism financing;
- Reporting: encourage accurate, timely and high-quality reporting to AUSTRAC; and
- High-risk sectors: the banking, gambling and remittance sectors are focus areas for regulatory work. AUSTRAC currently only intends to publish sector-based risk assessments, financial intelligence and continued regulatory activity to explain vulnerabilities that the regulated sectors face.

Law stated - 10 April 2026

Enforcement and compliance

Describe current best practices in the compliance arena for companies and financial institutions.

AUSTRAC has listed several activities that companies and financial institutions should undertake to ensure best practice for compliance. These include the following:

- Check whether the business provides a designated service or product;
- If it is determined that the entity provides a designated service or product, it must enrol with AUSTRAC;
- After enrolment, the entity must develop an AML/CTF programme that assists it in identifying, mitigating and managing the risk of its products and services being misused for money laundering and terrorism financing;
- Report specific certain transactions and suspicious matters to AUSTRAC;
- Submit regular compliance reports to AUSTRAC; and
- Keep all records.

Law stated - 10 April 2026