



AML/CTF Tranche-2 Reforms - Quick Guide



 www.syntrico.com.au

 info@syntrico.com.au



Australia is implementing the largest AML/CTF overhaul since 2006, expanding the regime to include a wide range of new entities under the regulation. The changes known as Tranche 2 reforms, take effect from **1 July 2026** for newly regulated entities such as lawyers, accountants, real estate agents, trust & company service providers (TCSPs), and dealers in precious metals and stones.

If you're newly regulated entities or an existing entity that provide designated services , then this guide gives you everything you need to understand.

What is Tranche -2 ?

- Tranche-2 is a new legal obligation for non-financial professional service industries to identify, assess, and report money laundering and terrorism financing risks.
- Aimed at reducing money laundering risks in high value service industries where large sums of money frequently change hands.
- Aligns Australia with international Financial Action Task Force (FATF) standards for combating financial crime.

Who all be Regulated Under Tranche 2?



Real Estate Professionals



Legal Professionals



Accountants



Conveyancers



Jewellers & Precious Goods



Trust & Company Service Providers

Key obligations Under Tranche – 2

ENROLL AND REGISTER WITH AUSTRAC :

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

ASSESS YOUR ORGANISATIONS ML/TF RISK :

- Review your products and services, customer types, delivery channels, and geographic locations to understand where money laundering or terrorism financing risks may arise.
- Assign clear risk levels (low, medium, high) and outline when enhanced customer due diligence is required.
- Define clear triggers for reviewing your framework, including any changes to your business operations or services.

BUILD YOUR AML/CTF PROGRAM :

- Every Tranche-2 business must have a single integrated AML/CTF Program.
- This program document must outline governance, risk processes, KYC steps, monitoring, reporting, staff training and quality assurance (Controls).
- Implement the key AML roles in the organisation – **Compliance Officer, Senior Manager and Governance body**. Often in Smaller organisations all these roles can be assigned to a single person (Example: Principal agent in the real estate firm can act on all these roles).
- Establish how often the program will be reviewed and define how independent evaluation will be carried out to ensure effectiveness.

VERIFY YOUR CUSTOMERS AND IMPLEMENT ONGOING MONITORING :

- Make identity verification and customer monitoring a standard part of onboarding and everyday operations.
- Conduct KYC/KYB checks and keep accurate records of all verification documents and evidence.
- Monitor customer activity on an ongoing basis to identify unusual or suspicious behaviour.
- Maintain complete audit trails, case notes, and supporting records to demonstrate compliance.

REPORT, TRAIN & STAY AUDIT READY :

- Enable internal processes for reporting, staff training, and keeping evidence for audits.
- Train staff to recognise and escalate suspicious activity.
- Establish clear procedures for Suspicious Matter Reporting (SMR) and Transaction Threshold Reporting (TTR) escalation, preparation, and submission.
- Maintain complete record-keeping, evidence logs, and documentation to support audits and demonstrate compliance.



WHY TRANCHE-2 MATTERS?

01 Reduces Money Laundering

Strengthens safeguards across property, legal, and professional services to close existing vulnerabilities and prevent misuse for criminals.

02 Supports FATF Compliance

Helps Australia meet global Financial Action Task Force (FATF) standards and maintain its position as a trusted, secure financial system.

03 Protects Your Business

Reduces regulatory and operational risk while supporting strong compliance practices that protect your professional reputation.

NON – COMPLIANCE CONSEQUENCES:

If a Tranche-2 business fails to meet AML/CTF obligations from 1 July 2026, AUSTRAC can take a wide range of enforcement actions. These are directly stated in official and industry-verified sources



Increased AUSTRAC
Oversight



Potential Financial
Penalties



Reputational
Damage



Loss of Registration or
License

Key Dates & Timeline

Mandatory Compliance Begins

The critical year for Tranche-2 compliance with three key milestones.

2026

March — Prepare

- Enroll your Organisation with AUSTRAC
- Begin drafting your AML/CTF Program
- Complete your business-wide ML/TF risk assesment
- Start implementing KYC/KYB processes for new clients

Implement — **April**

- Staff AML/CTF training should be underway
- Monitoring and reporting processes should be active
- Governance roles and escalation paths documented

July — **Compliance Required**

- Expect AUSTRAC go-live window
- Business must be operationally compliant
- AML/CTF Program, KYC/KYB, monitoring, training, and record-keeping must be in place

2027

Full Enforcement

How can my organisation be ready?

- 1 Identify Your Designated Services
- 2 Confirm if your firm is Regulated under Tranche-2
- 3 Choose the compliance pathway that aligns with your organisation's needs: implement a specialist technology platform like [Syntrico AML Guardian](#), or a managed service, or develop and operate the capability internally.
- 4 Assess your organisation's ML/TF risk, train your staff to ensure obligations are met.
- 5 Develop and implement an AML/CTF Program
- 6 Verify Customers and Monitor Activity
- 7 Report all the Suspicious Matters including Suspicious Matter Reports and Transaction Thresholds Reports to AUSTRAC.
- 8 Record keeping and Maintain Audit Evidence
- 9 Generate and submit Annual compliance reports to Austrac



Don't Act Out of Fear — Act with Confidence, Backed by Experts

Tranche 2 reforms don't need to be intimidating. With proper planning, clear guidance and the right partners, compliance becomes not just manageable - but a competitive advantage.

This is where **Syntrico** can help

Everything you need for AML/CTF compliance in one trusted platform. Syntrico helps teams become regulator-ready fast through guided program setup, smart due diligence, and built-in reporting.

- Generate AML/CTF program in less than 20 minutes
- 90% less time spent on audit preparations
- 70% faster investigation in KYC/ KYB and Customer Due Diligence

The purpose of **Syntrico's AML Guardian** is to enable Australian SME professional firms to confidently meet their new AML/CTF duties under AUSTRAC's Tranche 2 reforms through a cloud-based solution that simplifies compliance, reduces manual effort, and ensures ongoing regulatory alignment.

AML Guardian Platform Overview

AML/CTF Program Builder

Auto Generate AUSTRAC-aligned Part A & Part B programs tailored to your practice.

Risk Assessment Engine

Smart ML/TF risk profiling across your organisation, clients, services, channels, and jurisdictions.

KYC / KYB and AML Screening

Automated ID checks, beneficial ownership, PEP/sanctions screening, and CDD workflows.

Ongoing Monitoring

Continuous behavioural checks for clients and transactions with intelligent alerts and escalation pathways.

Reporting & Audit

Prepare, manage and store AUSTRAC-required artefacts: SMRs, TTRs, IFTIs, annual compliance reports.

Training & Awareness

Staff training modules aligned to Tranche-2 expectations, with completion certificates.

Dashboards & Insights

At-a-glance visibility of your compliance health with real-time alerts.

Quick Guide to Key terms

AML	Anti-Money Laundering
AUSRAC	Australian Transaction Reports and Analysis Centre
CTF	Counter-Terrorism Financing
CDD	Customer Due Diligence
PF	Proliferation Financing
TTR	Threshold Transaction Report
PEP	Politically Exposed Person
SMR	Suspicious Matter Report
DG	Designated Business Group
VASP	Virtual Asset Service Provider
FATF	Financial Action Task Force



Everything you need for AML/CTF compliance — in one trusted platform

Built to help Tranche-2 professionals meet AUSTRAC obligations with confidence.

Contact Information

Phone

+61 436 836 169

+61 2 8046 6832

Email

info@syntrico.com.au

Website

www.syntrico.com.au

Address

Level 35, Tower One - International
Towers, 100 Barangaroo Avenue,
Sydney, 2000, NSW, Australia