

Independent contractors who exclusively act under conjunctional or co-agency arrangements – Real Estate

Current as at 31 March 2026

Purpose of this guidance

This guidance is intended to assist members to understand how independent contractors in real estate who exclusively act under conjunctional type arrangements are generally treated under the Anti-money Laundering and Counter Terrorism Financing (AML/CTF) framework for enrolment purposes, based on current guidance provided by AUSTRAC.

Key Question

Does an independent contractor who only engages in conjunctional type arrangements to assist an agency in a sale need to enrol as a separate reporting entity under the AML/CTF regime?

Short Answer

In most cases, no.

An independent contractor engaged to assist a real estate agency in the delivery of a sale (sometimes referred to as a conjunctional agent) will generally operate under the umbrella of the principal real estate agency, rather than becoming a separate reporting entity.

AUSTRAC has confirmed to the Real Estate Institute of Australia (REIA) that these arrangements are typically more akin to a representative relationship, with the contractor acting on behalf of the reporting entity for AML/CTF purposes.

In the majority of independent contractor arrangements:

- The real estate agency is the reporting entity
- For AML/CTF obligation purposes, the contractor is treated as a representative of the reporting entity - this characterisation does not alter the independent contractor relationship between the parties for any other purpose
- The contractor is not providing a designated service in their own right for AML/CTF purposes

As a result, the contractor does not need to separately enrol as a reporting entity, provided the reporting entity complies with the following conditions.

Conditions that must be met

To rely on this position, the agency (who is enrolled as a reporting entity with AUSTRAC) should be satisfied that the following conditions are met by independent contractor (and their employees if applicable):

- ⇒ they operate in a manner consistent with the reporting entity's AML/CTF program, as required under the AML/CTF Act and Rules
- ⇒ they meet personnel due diligence requirements (noting that holding a real estate licence will generally satisfy the integrity test component)
- ⇒ they satisfy applicable AML/CTF training requirements, whether through the reporting entity's training program or through equivalent training obtained independently, provided the contractor can demonstrate compliance to the reporting entity's reasonable satisfaction.

Agents engaged by multiple businesses

In the scenario where an independent contractor is engaged with multiple agencies, for AML/CTF purposes, the agent will generally fall under the reporting entity they are acting for in that specific transaction if they meet the conditions outlined above.

When would an independent contractor need to enrol with AUSTRAC?

An independent contractor will be required to enrol with AUSTRAC where they broker or conduct a sale in their own right, without being formally engaged by, and acting on behalf of, a reporting entity in relation to the transaction.

Important disclaimer

This guidance is general in nature and is provided for information purposes only.

It does not constitute legal advice and should not be relied upon as such. REIA accepts no responsibility or liability for any loss, damage or expense arising from or in connection with reliance on this guidance.

Whether a person or entity is required to enrol as a reporting entity under the AML/CTF Act depends on the specific facts and circumstances of each arrangement. Contractual terms, operational practices and transaction structures may differ.

Members should conduct a case-by-case assessment, ensure arrangements are clearly documented, and seek independent legal or compliance advice where required.