

Privacy Obligations Arising from the AML/CTF Reforms

Background

With the advent of the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) reforms from 1 July 2026, many real estate professions will become reporting entities under the AML/CTF Act and will be required to comply with a range of new customer due diligence, record keeping and compliance obligations. As part of meeting these obligations, agents will collect, use, store and in some circumstances disclose personal information relating to clients, customers and beneficial owners. This means privacy compliance will become an increasingly important component of the agency's overall regulatory framework.

The OAIC has confirmed that the *Privacy Act 1988 (Cth)* (the Privacy Act) applies to personal information handling activities undertaken for AML/CTF purposes, including by businesses that may otherwise fall within the small business exemptions under the Privacy Act.

Members should not assume that compliance with AML/CTF obligations removes or overrides their privacy obligations. Rather, the AML/CTF and privacy frameworks operate together.

The OAIC's Guidance

The OAIC has published guidance specifically addressing privacy obligations arising from the AML/CTF reforms. The guidance explains how reporting entities can comply with the Privacy Act while meeting their obligations under the AML/CTF Act and AML/CTF Rules.

The OAIC confirms that the Privacy Act does not prevent a reporting entity from collecting, using or disclosing personal information where this is required or authorised under the AML/CTF legislative framework. However, reporting entities remain responsible for ensuring that personal information handling practices comply with the Australian Privacy Principles.

For real estate professionals, this means that information collected for customer due diligence and verification purposes should be limited to what is reasonably necessary to comply with AML/CTF obligations and any other legitimate business purposes. Members should ensure that their privacy policies, collection notices and internal procedures accurately reflect how personal information is collected and handled for AML/CTF compliance purposes.



Identity Verification Information

One aspect of the reforms that may be of particular significance to members concerns the handling of identity documents.

The OAIC notes that the amended AML/CTF framework does not require reporting entities to retain scanned copies or photocopies of identity documents solely for AML/CTF record-keeping purposes. Instead, reporting entities are generally expected to retain records of the information obtained from those documents, together with records of the verification processes undertaken and the outcomes of those processes.

Members should carefully review existing document retention practices and consider whether copies of passports, driver's licences and other identification documents continue to be required for any lawful purpose. Any decision to retain identity documents should be supported by a clear legal, regulatory or operational basis.

The OAIC recognises that implementing revised retention and destruction practices may take time and has indicated that it will adopt a proportionate and risk-based regulatory approach in assessing compliance with these new requirements.

Privacy Governance and Compliance

The reforms provide an opportunity for members to review existing privacy governance arrangements. Agencies that become reporting entities should ensure that privacy policies, collection statements, retention practices, technology systems and third-party service provider arrangements are capable of supporting both AML/CTF compliance and privacy compliance.

Particular attention should be given to arrangements involving electronic identity verification services, cloud-based software providers and offshore data storage solutions, as the Privacy Act may impose additional obligations where personal information is disclosed overseas.

Members should also ensure that appropriate security measures are in place to protect personal information collected for AML/CTF purposes and that data breach response procedures are reviewed in light of the increased volume and sensitivity of customer information that may be held.

REIV Recommendation

REIV recommends that members familiarise themselves with the OAIC guidance and AUSTRAC's AML/CTF reform materials well in advance of the commencement date. The interaction between AML/CTF compliance obligations and privacy obligations will form an important component of an agency's overall compliance framework from 1 July 2026.



Further Information

Members should refer to the Office of the Australian Information Commissioner guidance titled *Privacy obligations for reporting entities under the AML/CTF reforms*, available on the OAIC website, together with AUSTRAC's AML/CTF reform guidance and any subsequent updates issued by those regulators.

REIV will continue to monitor developments and provide further information to members as additional guidance becomes available.

Resources

- **Privacy guidance for reporting entities under the Anti-Money Laundering and Counter-Terrorism Financing Act**
 - [Privacy guidance for reporting entities under the Anti-Money Laundering and Counter-Terrorism Financing Act | OAIC](#)
- **Updates to AML/CTF**
 - [Privacy guidance about destruction and retention of ID documents for record keeping](#)
- **Template for privacy collection notice for reporting entities under the Anti-Money Laundering and Counter-Terrorism Financing Act**
 - [Template privacy collection notice for reporting entities under the Anti-Money Laundering and Counter-Terrorism Financing Act | OAIC](#)

Disclaimer:

This guidance note is intended as general industry guidance only and does not constitute legal advice. Legislative requirements and regulatory interpretations may change, including in relation to AML/CTF reforms and consumer protection obligations.

REIV recommends that members obtain their own independent legal, accounting and compliance advice regarding:

- the structure of the any VOI/AML related fee;
- agency authority wording;
- disclosure obligations; and
- compliance with applicable legislation and professional obligations.