

Day-to-day AML

The day-to-day Customer Due Diligence process

From 1 July 2026, every Australian real estate agency involved in property sales and purchases must comply with the AML/ CTF Act. Here's what you must do.

What is Customer Due Diligence (CDD)?

CDD is the core, day-to-day obligation. It's how you confirm who your clients are and stop criminals from misusing your agency. CDD is the process of:

- Assessing client risk
- Identifying and verifying clients
- Checking all beneficial owners (those who own or control more than 25%)
- Screening against Politically Exposed Persons (PEPs) and Sanctions watchlists

You must do this for *both* vendors and buyers.

When does CDD need to happen?

On the vendor

- Complete CDD before you provide agency services or list a property
- The best time is when signing the Agency Agreement

On the buyer

- Complete CDD within 15 days of the Contract of Sale being signed, or before settlement (whichever comes first)

Who counts as a beneficial owner?

When your client is a:

- **Individual:** usually the property owners themselves
- **Company:** directors and shareholders with 25%+ ownership
- **Trust:** trustees and discretionary beneficiaries with 25%+ control

Can you rely on CDD from others?

- **Vendors:** you must complete CDD yourself, in most cases.
- **Buyers:** you may rely on the buyer's conveyancer if you have a formal arrangement in place. But the responsibility still sits with you.

When to do Enhanced Due Diligence (EDD)

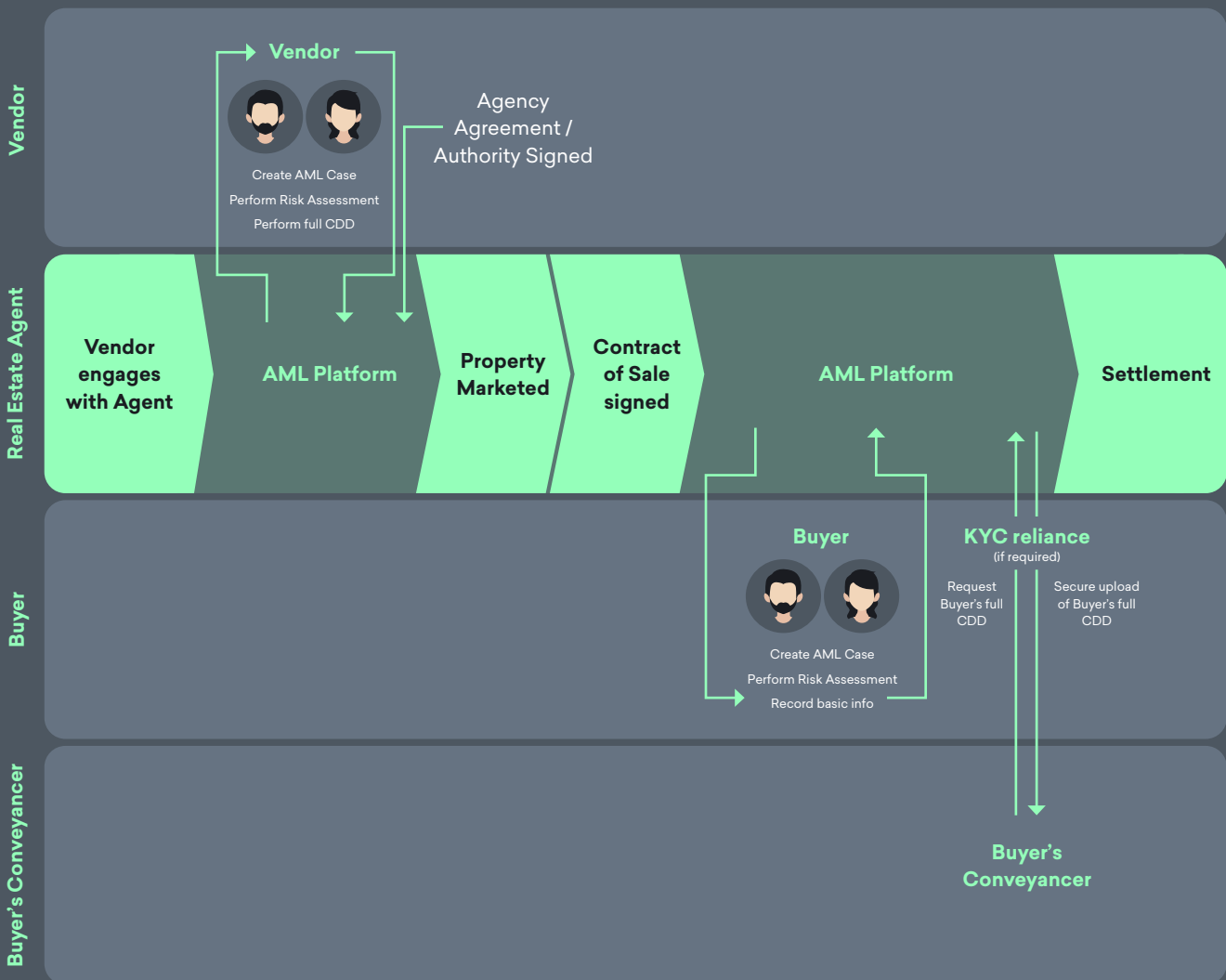
EDD is done when risk is higher. Including:

- The customer is high risk
- You lodged an Suspicious Matter Report (SMR) but will keep acting
- The customer/owner/rep is a foreign PEP
- There are links to a FATF high-risk country
- Your service is nested through another provider
- The Rules require it for that customer
- Activity is unusual: no clear purpose, very complex/large, or odd patterns

Extra checks under EDD:

- **Source of wealth:** how the customer built their wealth and
- **Source of funds:** where the money for this transaction comes from

Overall workflow for a Real Estate transaction



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