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Standards Alert

AML/CTF Tranche 2 Reforms: What They Mean for Valuers

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Valuation not Captured Under Tranche 2

Valuation services are not a designated service under the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) regime. A Member who only provides valuation services does not need to enrol with AUSTRAC or build an AML/CTF program for that work.

The obligation under AUSTRAC attaches to the activity, not the profession. A Member who provides a captured service, for example acting as a real estate agent, to facilitate the sale or purchase of a property on a client's behalf, will be captured for that activity and must meet AUSTRAC obligations.

What is Captured

The *Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024* amends the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*. This has the effect of extending the AML/CTF regime to reporting entities captured under Tranche 2: real estate agents, conveyancers, lawyers, accountants, trust and company service providers and dealers in precious metals and stones. The new obligations officially commenced on 1 July 2026.

Whether a business is caught depends on whether it provides a designated service with a link to Australia. It is the service, not the job title, that determines reporting entities' obligations. AUSTRAC enrolment opened on 31 March 2026, and any business that provides a designated service from 1 July 2026 must have an active AML/CTF program, conduct customer due diligence (CDD) and report suspicious activities from this date. The hard deadline to be fully enrolled with AUSTRAC is 29 July 2026. AUSTRAC expects around 80,000 businesses to enrol nationally.

Are Valuers Captured

For real estate, the designated services are, in broad terms, broking the sale, purchase or transfer of real estate, that is, acting for a buyer or seller in the transaction.

A valuation service is different. Under API Standards Series No. 6, a valuation service is the Valuer's independent opinion of value and/or rent for an asset. It does not involve broking or facilitating the transaction.

On that basis, a valuation service is not a designated service, and Members who only provide valuation services are not brought into the regime by the Tranche 2 reforms.

When a Member may be Captured

Some Members do more than provide valuation services. A Member will likely be captured under Tranche 2 requirements if they also:

1. act as a real estate agent or buyer's agent, facilitating the purchase or sale of property on a client's behalf;
2. provide property conveyancing services; or
3. provide other designated services, for example certain accounting services or the handling of client money/trust accounts.

If any of these apply, the AUSTRAC obligations attach to that part of the business.

What to do Now

If you provide valuation services only, no action is required for that work.

If you provide a captured service, you must enrol with AUSTRAC by 29 July 2026 and implement and maintain appropriate AML/CTF policies, procedures, systems and controls that are commensurate with the nature, size and risk profile of your business. This includes having a documented AML/CTF program, conducting customer due diligence, managing identified risks, reporting suspicious matters where required and maintaining appropriate records.

If you are unsure whether an activity is captured, check it against AUSTRAC's designated services guidance or seek your own advice.

How the API Will Help

The API considers valuation services are low risk and outside the designated services that the *Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024* is targeting. The API will monitor AUSTRAC's guidance for the real estate sector and update this guidance if the position changes. Members with questions can contact the Standards team at standards@api.org.au.

Important

This guidance is general information only and is not legal or professional advice. It is current as at the publication date and may change as AUSTRAC releases further guidance. Members should confirm their own obligations with AUSTRAC or their professional adviser.

If there are any comments or feedback regarding this Standards Alert, please contact us at standards@api.org.au.