



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

24 February 2026

Mr Daniel Mossop
National Manager Rules & Guidance
AUSTRAC
4 National Circuit
BARTON ACT 2600

via email: reform@austrac.gov.au

Dear Mr Mossop,

Exposure draft Anti-Money Laundering and Counter-Terrorism Financing (2025 Rules) Amendment Rules 2026

The Australian Small Business and Family Enterprise Ombudsman (the ASBFEO) welcomes the opportunity to make a submission to the Australian Transaction Reports and Analysis Centre consultation on updates to the new Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Rules.

We acknowledge the proposed amendments are minor and largely corrective in nature, addressing identified issues such as extending the timeframe for verifying 'know your customer' information previously verified by another party to a real estate transaction, providing technical clarification of customer due diligence provisions, and reducing administrative burdens for reporting groups.

However, we remain concerned that many small businesses captured by the Tranche 2 reforms may not yet be aware of the new obligations due to commence on 1 July 2026. Stakeholders continue to raise concerns that affected small businesses either remain unaware of the changes or lack a clear understanding of what is required and may not be well-positioned to implement the necessary processes ahead of commencement.

While the ASBFEO continues to remind small businesses operating in sectors subject to the tranche 2 reforms of their obligation to comply with the AML/CTF regime from 1 July 2026, we note that industry bodies are still grappling with the scale of the changes and are actively working to support their members through training and implementation guidance. We are aware, for example, that accounting industry bodies are progressively delivering online training sessions for their members in relation to AML/CTF obligations, but even these bodies acknowledge that supporting implementation across the sector represents a significant, resource intensive task.

We therefore encourage AUSTRAC to continue to raise awareness of the reforms and ensure that information and guidance are right-sized for small businesses, taking into account their unique circumstances and capacity constraints. Many of the affected entities are micro-businesses, where the owner is actively working in the business and personally responsible for understanding and implementing compliance requirements.

In addition, the ASBFEO recommends that AUSTRAC consider adopting an enforcement posture during the initial years of implementation that is supportive, proportionate and educative in nature. Given the scale of change for newly captured sectors, many of which comprise small and micro-businesses, an approach that prioritises guidance, education and assistance over punitive



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enforcement would help build capability, encourage early engagement, and support sustainable compliance outcomes. Such an approach would recognise the genuine efforts by businesses to comply, while providing clarity and practical support as they adapt to the new requirements.

If you require any further information, please do not hesitate to contact the Policy and Advocacy team, via email at adocacy@asbfeo.gov.au.

Yours sincerely

The Hon Bruce Billson

Australian Small Business and Family Enterprise Ombudsman