

# Tranche 2 Compliance made simple for Lawyers

Simple KYC automates customer identification and verification to help lawyers **comply with AML and CTF Tranche 2 regulations**, all while delivering an excellent customer experience.

▶ [Watch video](#)



## Get ahead of your Tranche 2 compliance obligations ESSENTIAL RESOURCES & KEY INSIGHTS FOR LAWYERS

### Tranche 2: Frequently Asked Questions

➤ **What is Tranche 2 of the AML/CTF reform?**

Tranche 2 of the AML/CTF reform expands anti-money laundering and counter-terrorism financing obligations to lawyers and other industries, requiring them to identify and verify clients, report suspicious transactions, and maintain proper records.

➤ **When do the new obligations begin?**

Lawyers must comply with AML/CTF obligations starting 1 July 2026, with AUSTRAC registration opening on 31 March 2026.

➤ **What are the main compliance requirements?**

Law firms must register with AUSTRAC, implement a risk-based AML/CTF program, conduct customer due diligence, report suspicious activities, and maintain proper records for at least 7 years.

➤ **How will this affect our daily operations?**

Firms will need to integrate AML checks into client onboarding, risk assessments, file reviews, and reporting procedures.

➤ **What are the penalties for non-compliance?**

Non-compliance can result in substantial fines and legal actions, depending on the severity of the breach.

In other countries like UK, in March 2025, the Solicitors Regulation Authority (SRA) fined U.S. law firm Simpson Thacher & Bartlett £300,000, with an additional £62,000 in costs, for failing to maintain adequate AML policies and risk assessments.

Similar consequences may apply in Australia once Tranche 2 takes effect in 2026, so it's critical to prepare now.

➤ **Will there be support for small law firms?**

AUSTRAC is developing guidance and educational materials to help new regulated entities implement effective AML/CTF measures.

### Key upcoming dates related to the reforms

- **May to July 2025:** Targeted consultation on draft core guidance in working groups with industry associations and peak bodies
- **August 2025:** AML/CTF Rules finalised
- **October 2025:** Release of core guidance
- **October to November 2025:** Targeted consultation on tranche 2 sector-specific guidance in industry working groups
- **December 2025:** Release of tranche 2 sector-specific guidance
- **1 July 2026:** AML/CTF obligations commence for tranche 2 entities
- **2026:** Ongoing enhancements to the sector-specific guidance

### Helpful links

- [Check if you'll be regulated](#)
- [About the AML/CTF reforms](#)
- [Learn more about the harms caused by money laundering and terrorism financing](#)
- [New industries and services to be regulated](#)
- [Risks and indicators of suspicious activity](#)
- [Why combat money laundering and terrorism financing?](#)
- [Education and guidance](#)
- [Future Law Compilation of the AML/CTF Act](#)
- [Summary of AML/CTF obligations for tranche 2 entities](#)

For more guidance and educational materials, we recommend to [Visit AUSTRAC's website](#)



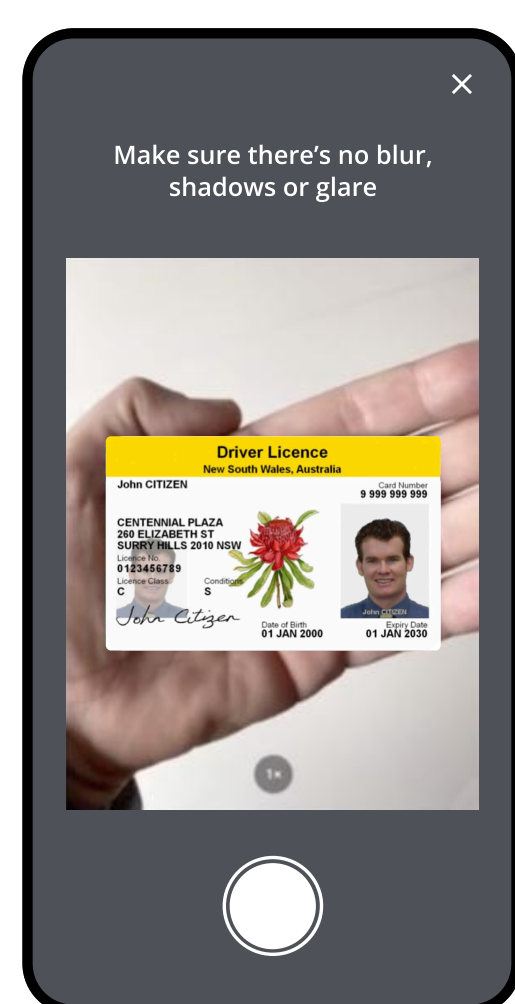


## HOW DOES SIMPLE KYC WORK?

Easily manage your AML/CTF obligations using the SimpleKYC platform, or let our team of specialists handle it for you while you focus on your core business.

### Digitally collect & verify customer information

Digitally initiate a **CDD Onboarding** through our smart forms by multiple channels (email, sms or via your website) for both **individuals and business customers**.



**Individuals can verify their own identities** within the onboarding journey using electronic ID verification with biometric checks or by submitting ID documents.

For business customers, **digitally reach-out to other directors & beneficial owners** to ID verify them.

~80% prefilled form

✓ Some information has been completed automatically.

**Check your ID details**

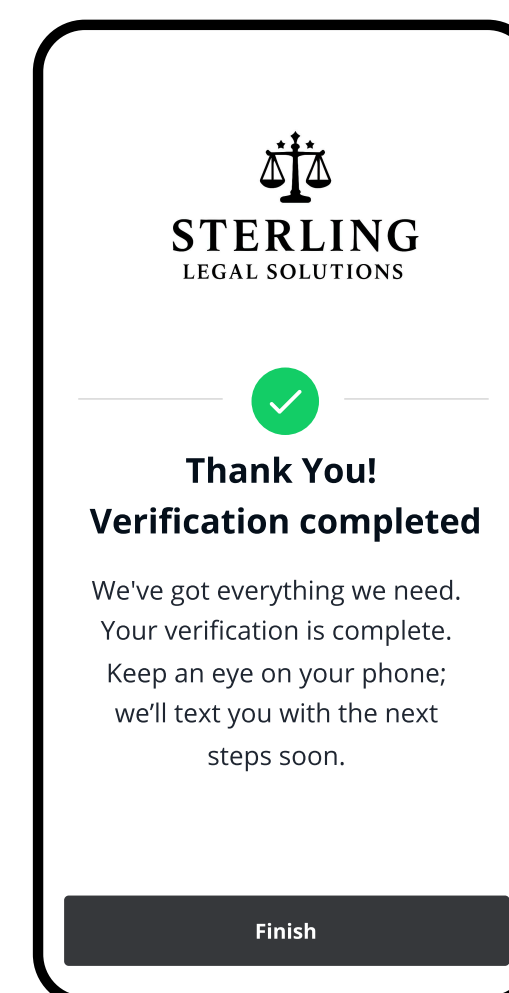
Please make sure the information extracted is correct and edit if needed.

First name	John
Middle name	
Surname	Citizen
Date of birth	01/01/2000
Date of expiry	01/01/2030
Licence number	0123456789
Address	Centennial Plaza 260, Elizabeth st Surry Hills 2010 NSW

Next



**Prefilled information** from reliable sources and ID documents **reduces the time and effort customers need** to complete the form and helps **prevent manual errors**.



Where all information is verified and the CDD policy is met, **Straight through processing is enabled**.

Verification against government register data is conducted, and a real-time decision is made on whether the CDD policy is met.

### Manage customer risk and keep all KYC records in one secure place

Your team gets access to a user-friendly back office to track all AML/CTF cases.

KYC Case Manager					
Customer	UBO Verification	Media Screening	Pep & sanctions	High risk checks	Outcome
Noah Sinclair	✓	✓	✓	✓	✓
Global Solutions Inc.	✓	✓	✓	✓	✓
Acme Corp.	✓	✓	✓	✗	⚠
Olivia Turner	✓	✓	✓	✓	✓
Emma Parker	✓	✗	✗	✓	⚠



**Identify and manage high-risk customers** by screening high-risk industries, countries, PEPs, sanctions, and more.



**Maintain accurate and complete records** with evidence of your due diligence & risk management conducted.



**Monitor and manage risks** with continuously updated KYC profiles throughout the customer relationship.

## KEY BENEFITS



### More efficiency, less time and cost

Streamline compliance by slashing the time and costs needed to stay fully compliant.



### Improve customer experience

Reduce the friction and time required from your customers to comply with Tranche 2 regulation.



### Reduce manual handling time and process complexity

Let us handle the manual tasks, so you can concentrate on the high-value work that matters.