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Further consultation on Australia's AML/CTF regime welcome

The Law Council of Australia welcomes the release today by the Attorney-General's Department of the consultation paper, 'Reforming Australia's anti-money laundering and counter terrorism financing (AML/CTF) regime'.

"We commend the Government for continuing to consult on potential reforms to simplify and modernise the AML/CTF regime, and we look forward to contributing further to that process," Law Council of Australia President-elect, Ms Juliana Warner said.

"Any reforms to the AML/CTF regime must be proportionate and evidence-based.

"The Law Council is heartened to see that its advocacy for a risk-based response has resulted in some important clarifications by the Attorney-General's Department in the consultation paper. These include some exemptions that are sensible and proportionate, and the Law Council welcomes these clarifications."

However, Ms Warner, who chairs the Law Council's Working Group on AML/CTF, expressed concern at the proposals in the consultation paper about legal professional privilege and client confidentiality.

"Legal professional privilege is an important privilege of the client. Everyone is entitled to have confidential and privileged communications with their legal advisors. These fundamental elements of Australia's justice system, and the rule of law, must be respected. The processes proposed in the paper are too extensive, and could have the effect of restricting access to justice and eroding the integrity of our justice system.

"The Law Council commissioned a report from a specialist tax and AML law practice, Russ + Associates, which was released in October 2023. The report found that the existing regime that regulates Australia's legal profession has many effective measures in place that operate to mitigate the risk of a lawyer being an unwitting party to money laundering and terrorism financing.

"The Law Council looks forward to working with Government to identify additional measures that, with any necessary augmentation, will meet international AML/CTF standards."

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The Law Council of Australia is the national voice of the legal profession, promoting justice and the rule of law.