# AML/CTF Money Laundering and Terrorism Financing Risk Assessment

**Sydney Accountants Pty Ltd**

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| **Business name** | Sydney Accountants Pty Ltd |
| **Prepared by** | [AML/CTF Compliance Officer] |
| **Date approved** | 19 July 2026 |
| **Approved by** | [Managing Director] |
| **Version** | 1.0 |
| **Next review due** | July 2027 (or earlier on material change) |

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## 1. Purpose and scope

This document records Sydney Accountants' assessment of the money laundering and terrorism financing (ML/TF) risks it may reasonably face in providing designated services. It has been prepared to meet our obligations as a reporting entity under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and supports the design of our AML/CTF program.

The assessment covers the designated services we provide, the types of customers who use them, the channels through which we deliver them, and the foreign jurisdictions we deal with. It sets an overall ML/TF risk rating for the business and identifies the controls we rely on to manage that risk.

## 2. Business overview

Sydney Accountants is a small suburban accounting practice based in Sydney, New South Wales. We provide accounting, tax and business advisory services to individuals, small companies and family trusts. A subset of our work falls within the AML/CTF regime.

We provide the following three designated services:

1. **Company and trust formation**, assisting clients to create, and organising contributions for, companies and trusts.
2. **Registered office address**, providing our business address as the registered office for client entities.
3. **Trust account management of client money**, receiving, holding and disbursing client money through our statutory trust account.

Approximately **100 clients per year** use one or more of these designated services. Around **10% are based overseas**, predominantly in **China**, with a smaller number elsewhere in **South-East Asia**. The remaining clients are Australian residents, mostly local small-business owners and families known to the practice.

## 3. Risk assessment methodology

Each risk factor is rated by combining the **likelihood** that the service could be misused for ML/TF with the **consequence** if it were. The two are combined to give a rating of **Low**, **Medium** or **High**.

| Likelihood \ Consequence | Minor | Moderate | Major |
|---|---|---|---|
| **Unlikely** | Low | Low | Medium |
| **Possible** | Low | Medium | High |
| **Likely** | Medium | High | High |

The overall business rating reflects the highest-weighted factors rather than a simple average, giving greater weight to the services and jurisdictions that present the clearest opportunity for misuse.

## 4. Assessment of risk factors

### 4.1 Designated services

| Service | Inherent ML/TF risk | Rationale |
|---|---|---|
| **Company / trust formation** | **Medium** | Legal entities and trusts can in principle obscure beneficial ownership, but our formation work is low volume, for clients who are generally known to the practice, and we do not offer complex multi-layered or offshore structures. |
| **Registered office address** | **Low-Medium** | Providing an address could add apparent local substance to an entity controlled elsewhere, but we do not act as nominee director or shareholder, and the service is only offered to entities we have also formed or act for. |
| **Trust account management of client money** | **Medium** | Client funds moving through the trust account could be misused, but balances are small, transactions are routine (tax and settlement related), and source of funds is checked before funds are accepted. |

### 4.2 Customer types

The large majority of customers are established local individuals and small businesses well known to the practice, which is lower risk. Only a small minority present elevated risk, for example a company or trust with less transparent ownership, a newly introduced client, or a customer where the beneficial owner differs from the person instructing us. We have limited exposure to high-risk customers overall, and any politically exposed person (PEP) or PEP-connected customer would be treated as higher risk and escalated.

**Rating: Low-Medium.**

### 4.3 Delivery channels

Services are generally delivered through a mix of in-person meetings and remote onboarding (email, phone and video). Non-face-to-face onboarding, used for most overseas clients, carries higher impersonation and identity-fraud risk than in-person engagement. We do not use third-party introducers or agents to acquire customers.

**Rating: Medium.**

### 4.4 Foreign jurisdictions

Around 10% of clients are overseas, mainly in China and to a lesser extent elsewhere in South-East Asia. This is a limited cohort, but it does lift the geographic profile: cross-border fund flows and the use of Australian entities or trust accounts by non-resident clients are the principal concerns, and some source jurisdictions have weaker AML controls. Because the exposure is small and these clients receive enhanced checks, the factor is contained rather than dominant.

**Rating: Medium.**

## 5. Overall ML/TF risk rating

Weighing the factors above, Sydney Accountants presents a moderate ML/TF profile. The designated services could in principle be misused, but the practice operates at low volume, deals mainly with established local clients, offers only straightforward structures, and has limited exposure to high-risk customers and jurisdictions. No single factor rates High.



**Overall inherent risk: MEDIUM**

With the controls in section 6 applied, customer due diligence, enhanced checks for the small higher-risk cohort, source-of-funds verification on the trust account, and ongoing monitoring, residual risk is reduced to:

**Residual risk (after controls): LOW**

## 6. Controls and mitigation

We manage the risks identified above through the following controls, which are set out in full in our AML/CTF program:

- **Customer due diligence (CDD)**, identifying and verifying every customer before providing a designated service, and identifying beneficial owners of companies and trusts.
- **Enhanced due diligence (EDD)**, additional identity, source-of-funds and source-of-wealth checks for overseas clients, complex structures, PEPs, and any customer rated higher risk.

- **PEP and sanctions screening**, screening customers and beneficial owners against sanctions and PEP lists at onboarding and periodically thereafter.
- **Ongoing customer due diligence**, monitoring transactions and the business relationship, and keeping customer information up to date.
- **Trust account controls**, verifying the source of client money, dual authorisation of disbursements, and refusing or exiting transactions where the source of funds cannot be satisfactorily established.
- **Reporting**, submitting suspicious matter reports (SMRs) and any applicable threshold transaction reports (TTRs) to AUSTRAC.
- **Record keeping**, retaining CDD and transaction records for seven years.
- **Training and oversight**, regular AML/CTF training for staff and oversight by the nominated AML/CTF Compliance Officer.

## 7. Review

This risk assessment is reviewed at least annually, and sooner if there is a material change to our services, customer base, the jurisdictions we deal with, or the ML/TF environment (including new AUSTRAC guidance). The AML/CTF Compliance Officer is responsible for keeping it current.

**Sign-off**

| Role | Name | Signature | Date |
|---|---|---|---|
| AML/CTF Compliance Officer | | | |
| Approving officer | | | |