



Law Council
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National Legal Profession Anti-Money Laundering & Counter-Terrorism Financing Guidance

Guidance Note No 6 – How Do I Identify and Assess My Risk?

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National Legal Profession Anti-Money Laundering & Counter-Terrorism Financing Guidance

Guidance Note 6

How Do I Identify and Assess My Risk?

The suggestions and recommendations in this Guidance Note do not reflect or express legally binding obligations. Their adoption is voluntary. They are to be applied at the discretion of the individual legal practice.

Legal practitioners will have familiarised themselves with the reasons to be concerned about unwitting involvement in money laundering or terrorism financing, and what those criminal practices can look like (see Guidance Notes Nos 1, 4 and 5).¹

This Guidance Note addresses the question: **What is the risk-based approach, and what should I do about it?**

Anti-money laundering and counter-terrorism financing (AML/CTF) regimes globally are not designed with an expectation that legal practitioners will eliminate the risk of unwitting involvement in any single money laundering or terrorism financing threat. That would be unrealistic.

Instead, FATF encourages taking a sensible, risk-based approach to money laundering and terrorism financing prevention. Here we outline the principles of the **risk-based approach for AML/CTF**.

This Guidance Note should be read prior to *Guidance Note No 7 – How Do I Mitigate and Manage My Risk?* and together with:

- *Guidance Note No 8 – How Do I Undertake Client Due Diligence?*
- *Guidance Note No 9 – How Do I Ascertain Source of Funds? and*
- *Guidance Note No 10 – How Do I Check Whether Someone is a PEP?*

What is the Risk-Based Approach?

The AML/CTF risk-based approach is a strategy implemented by businesses and supported by regulators globally. It is designed to mitigate the risks of a business being unwittingly used for ML/TF activities.

In simple terms, the risk-based approach is a concept for achieving AML/CTF regulatory compliance that involves identifying, assessing and understanding the specific money laundering and terrorism financing risks faced by a business – that is, the risk that it may be unwittingly used to launder money or facilitate terrorist financing. Then, to reduce or manage the level of risk, the business tailors its AML/CTF measures accordingly.

This approach recognises that not all clients, transactions, services or geographic locations pose the same level of risk, and supports resources being allocated more effectively by focusing on areas that pose a higher money laundering or terrorism financing risk.



Overall, the goal of the risk-based approach is to support the allocation of resources more efficiently, focus efforts on areas of higher risk, and ultimately strengthen the effectiveness of a business' AML/CTF efforts.

Unlike financial institutions and casinos (among others), members of the legal profession in Australia are not regulated under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**).²

That is likely to change with the introduction of provisions for legal practitioners, foreshadowed by a recent Commonwealth Government consultation that proposes the inclusion of new designated services specific to the legal profession in the AML/CTF Act.

It is important that legal practitioners familiarise themselves with the concept of a risk-based approach and how it is applied as part of the AML/CTF regimes.

The information in this Note is not legal advice on how to comply with AML/CTF Act obligations but rather, non-binding guidance on how to future-proof your practice against unwitting involvement in financial crime. The steps outlined in this guidance should continue to assist you when any new legally binding obligations are introduced by amendments to the AML/CTF Act.

International Risk-Based Approach Standards

ISO31000 Risk Management Framework provides risk management guidelines with clear principles, a tried-and-tested framework and a repeatable process for identifying, assessing, and managing risk, including money laundering and terrorism financing risk. It defines a four-stage approach to identifying, mitigating and managing risk.

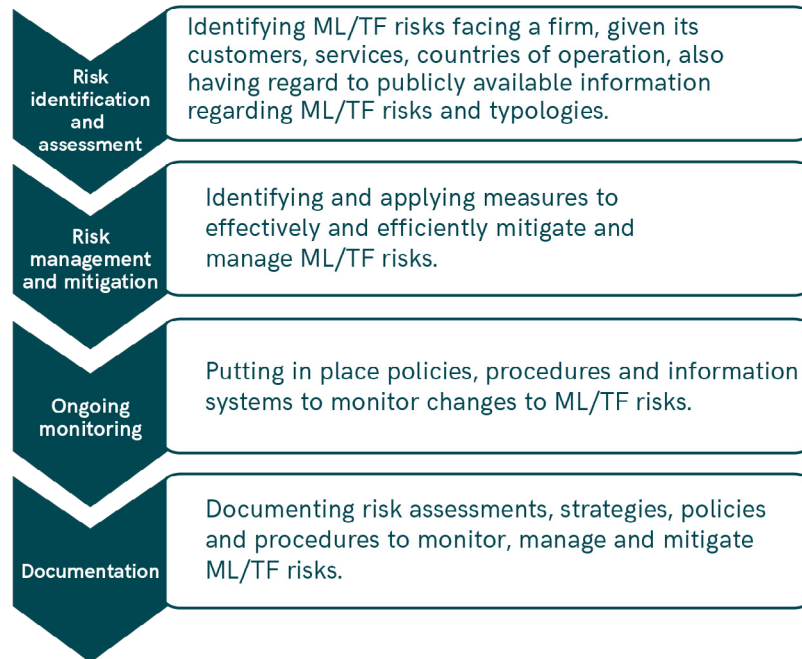
1. Inherent risk – the money laundering and terrorism financing risks faced by the business in carrying out its activities before the application of AML/CTF-related systems and controls to mitigate the risk;
2. Mitigating controls – the systems, policies, procedures, processes and practices that are deployed or operated to mitigate inherent money laundering and terrorism financing risk;
3. Residual risk – the money laundering and terrorism financing risk remaining after AML/CTF controls have been deployed and requiring ongoing management by the business; and
4. Managing controls – the systems, policies, procedures, processes and practices that are deployed or operated to manage residual money laundering and terrorism financing risk.

The global anti-money laundering and counter-terrorism financing watchdog, the Financial Action Task Force (**FATF**) has also identified the four key steps to developing and applying an enduring and effective risk-based approach, as illustrated in the following diagram.

This Guidance Note addresses the identification and assessment of inherent and residual risk, with risk mitigation and management addressed by *Guidance Note No 7 – How Do I Mitigate and Manage My Risk?*



FATF: Steps Involved in the Risk-Based Approach



Identifying and Assessing Your Money Laundering and Terrorism Financing Risks

The first step in applying the risk-based approach is to identify and assess your risk. This involves identifying the 'inherent' risks that your legal practice faces.

As previously explained, inherent risk is the risk of exposure to money laundering and terrorism financing that your practice would face if you did not have in place the mitigating factors (or 'controls') your legal practice does in fact have in place.

In turn, once you have taken account of those controls, what is left is the 'residual' risk to your practice.

Publicly Available Information About Risks

Publicly available information about money laundering risks and 'typologies' provides a good source of information on how a legal practice may be unwittingly used to launder money or finance terrorism.

In undertaking a risk assessment to identify the inherent ML/TF risk within legal practice, at a minimum, practitioners may care to review:

- *Guidance Note No 4 – What Does Money Laundering Look Like?* and *Guidance Note No 5 – What Does Terrorism Financing Look Like?*;
- The national risk assessments published by Australia's central financial intelligence unit, AUSTRAC (see below);
- International typologies,³ including those published by authoritative bodies such as FATF (see below); and



- International Country Legal Sector Assessments from other comparative jurisdictions, such as the UK and New Zealand (see below).

National Risk Assessments

AUSTRAC does not have any legal oversight of legal practitioners, and as noted, the AML/CTF Act does not apply to legal practitioners. However, materials produced by AUSTRAC can be informative (non-binding) resources.

AUSTRAC is currently updating its National Threat Assessment (**NTA**) for money laundering risk, which is expected to be published on its website in 2024. Until then, the most recent NTA (2011) is available online. AUSTRAC's national assessments of terrorism financing and proliferation financing risk are also online.⁴

Legal practices would benefit from consulting these documents because understanding the threats to Australia can inform your own assessment of your risk.

Relevant International Typologies

Resources relevant to money laundering and terrorism financing typologies for legal practitioners include FATF's report, *Money Laundering and Terrorist Financing Vulnerabilities of Legal Professionals* (June 2013) available on FATF's website.⁵

This Report contains more than 150 international and Australian examples of money laundering and terrorism financing that involved a legal professional (although not necessarily a legal practitioner).

FATF's *Guidance to a Risk-Based Approach for Legal Professionals* is more recent (2019) and also available online.⁶

Legal practices would benefit from consulting these documents because they set out real-world examples of how the legal profession can unwittingly be used to launder money and finance terrorism and can, therefore, inform your own assessment of your risk.

International Country Legal Sector Assessments

Legal practitioners in New Zealand and in England and Wales are regulated under the *Anti-Money Laundering and Countering Financing of Terrorism Act 2009* (**NZ**) and the *Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017* (**UK**) respectively.





Legal sector risk assessments are produced in those jurisdictions by the sectors' supervisors for money laundering and terrorism financing risk, the Department of Internal Affairs and the Solicitors Regulation Authority respectively.⁷

Legal practices would benefit from consulting these documents because legal professionals subject to AML/CTF regulation have unwittingly been used to launder money and finance terrorism. These documents can, therefore, inform one's own assessment of risk.

Media and Other Sources

Authoritative sources of information in financial crime research might also include:

- Royal United Services Institute (UK) at rusi.org
- Australian Criminal Intelligence Commission at acic.gov.au.

Practitioners may also wish to consult media reports and academic sources.

Information About Sanctions

The Department of Foreign Affairs and Trade (DFAT) publishes a searchable Consolidated List of all persons and entities listed under Australian sanctions laws at <https://www.dfat.gov.au/international-relations/security/sanctions/consolidated-list>.

The Australian Sanctions Office, within DFAT, publishes a quick guide to sanctions at: <https://www.dfat.gov.au/international-relations/security/sanctions/about-sanctions>.⁸

Money laundering and terrorism financing risk relating to a particular legal practice

More specific money laundering and terrorism financing risks will depend on your firm's clients, the services provided, the way those services are delivered, and the countries where clients are located and in which your legal practice operates (outlined below).

Client Types

The inherent money laundering and terrorism financing risk of client types is the vulnerability to money laundering and terrorism financing that the practice may reasonably face in dealing with certain client types seeking to avail themselves of one of the higher-risk services offered by the firm (see, for example, the listed activities on p 6).

The level of money laundering and terrorism financing risk represented by a certain client type should be assessed based on whether there is the presence of one or more attributes that increase the vulnerability to the client being involved in or seeking to use your services for terrorism financing or money laundering.



Some of the client attributes that may be potentially indicative of higher money laundering and terrorism financing risk are:

- clients located in overseas jurisdictions, in particular, countries that pose a higher risk for money laundering or terrorism financing;
- clients engaged in higher-risk business activities or occupations;
- clients who are identified as a Politically Exposed Person (PEP) or a family member or close associates of a PEP; or
- clients who are non-individuals (or legal entities), because of the extended chain and potential obfuscation of control and ownership.

To assess your inherent risk, publicly available information about money laundering risks and typologies (outlined above) may be consulted. More specific risks will depend on your clients, services and the way you deliver them, and the countries in which your legal practice operates (outlined below).

Higher Risk Services – FATF Standards Risk Areas, Recommendation 22(d) and (e) – The Legal Profession

The FATF has identified services and activities that pose high levels of risk that legal practitioners may become unwittingly involved in money laundering or terrorism financing. These activities may be found in Recommendation 22, paragraphs (d) and (e) of the FATF Standards. The activities are:

1. buying and selling real estate;
2. managing client money, securities or other assets (including operating a trust account);
3. managing bank, savings or securities accounts;
4. organising contributions for the creation, operation or management of companies;
5. creating, operating or managing companies, trusts or other types of legal persons or arrangements;
6. buying and selling businesses;
7. acting as a formation agent of companies or trusts or similar entities;
8. acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
9. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;
10. acting as (or arranging for another person to act as) a trustee of an express trust or performing the equivalent function for another form of legal arrangement; and
11. acting as (or arranging for another person to act as) a nominee shareholder for another person.

While the Recommendations are not law, they are likely to form the basis of the legal profession being captured by the AML/CTF regime and included as 'designated services' in the AML/CTF Act.

It is, therefore, recommended that legal practices have careful regard to whether they carry out any of these activities, as a first step in the broader assessment of their potential exposure to risk.



These areas are not exhaustive. When you prepare for or carry out a transaction for a client related to one of these activities, additional risks may come to your attention that require further scrutiny and response.

The Way Services are Delivered

Money laundering and terrorism financing risk is significantly influenced by how services are delivered to clients. Risk can be determined by whether the delivery of a service involves face-to-face contact with the client or not, as:

- face-to-face contact limits client anonymity and facilitates establishing whether the client is who they claim to be; and
- where a client is not met in person (face to face), there is an increased vulnerability that the client may not be who they claim to be, which may be considered a higher money laundering and terrorism financing risk.

Countries Where Clients are Located and in Which a Legal Practice Operates

The vulnerability of a country or jurisdiction to money laundering or terrorism financing can be represented by a combination of the following factors:

- money laundering and terrorism financing risk;
- money laundering/drug trafficking vulnerability concerns;
- FATF-published money laundering and terrorism financing concerns;
- links to terrorism/lack of anti-terrorism controls;
- corruption concerns; and
- tax haven status.

National Legal Profession Vulnerabilities

Legal practices already have systems and processes in place which are likely to mitigate the practice's risk of exposure to facilitating money laundering and terrorism financing. Equally however, there may be some legal practices that are more vulnerable than others.



To better understand the level of vulnerability nationally, the Law Council of Australia engaged a New Zealand specialist taxation and AML/CTF law firm, Russ + Associates, to undertake a vulnerabilities analysis of the national legal profession. The full text of the vulnerabilities analysis report is available to read [here](#).⁹ On a sector-wide basis, in summary the analysis found that in relation to money laundering and terrorism financing risk and the application of the AML/CTF risk-based approach:

- some of the high-risk activities identified by FATF are not (or are only rarely) undertaken by members of the Australian legal profession (eg managing securities on behalf of a client; organising contributions for the creation, operation or management of companies; providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement; acting as trustee for a client);
- unsurprisingly, some of the high-risk activities identified by FATF and listed on p 6 are commonly engaged in by legal practitioners (eg operating trust account; buying and selling a business);
- the risks potentially posed by many of the listed FATF-designated high-risk activities which are commonly or sometimes engaged in by legal practitioners are, to the varying degrees set out in the report, mitigated in practice in part by factors that are common to the given jurisdiction, as well as practice size;
- that practitioners 'in their representation of clients and conduct of their practices' are generally 'risk aware, and risk averse' and that this characteristic is 'a significant "real world" factor leading practitioners to avoid exposure to risk, including ML/TF [money laundering and terrorism financing] risk';¹⁰ and
- cash is infrequently encountered apart from in small amounts as 'finds' encountered in the administration of deceased estates. When received in amounts of \$10,000 or more practitioners presented to Russ + Associates as being fully aware of and reported compliance with their reporting obligations under the *Financial Transaction Reports Act 1988* (Cth).





Notwithstanding the above, vulnerabilities were identified, including:

- practitioners' general lack of awareness of the nature of money laundering and terrorism financing risk;
- practitioners' general unfamiliarity with the concepts of 'source of funds' and 'source of wealth', which are concepts that are commonly encountered when authorities formally assess anti-money laundering and counter-terrorism financing compliance in regulated sectors.¹¹ The report found that practitioners '[g]enerally do not make enquiries about the source of wealth or source of funds of a client in situations which may be regarded as higher risk,' such as PEPs or in connection with 'transactions involving trusts or other complex and potentially opaque structures';¹²
- while most practitioners reported 'taking some steps toward verifying the identity of their clients',¹³ strengthening processes to verify client identity appear to be warranted in some areas for some practices; and
- practitioners, apart from those practising in very large law firms, '[g]enerally do not ascertain if a client is a nominee or 'front' person, or determine who all of the controlling persons are in relation to a corporate or trust client.' Practitioners may be insufficiently attuned to whether they may be inadvertently acting for an intermediary and as such could unknowingly be acting for individuals who are not themselves high profile but behind whom there may be a PEP or a person subject to sanctions.¹⁴

These findings of the vulnerabilities analysis report and the FATF risk areas under Recommendation 22 (d) and (e) could be the prisms through which you assess the risks that are specific to your legal practice.

Identifying and Assessing the Risks that are Specific to Your Legal Practice

Assessing risk is in fact an area of specialist expertise and depending upon the size, scope and complexity of your practice, you may wish to engage a suitably qualified expert to guide you through the process. You may need to use a methodology that structures the risk assessment and may use defined risk ratings. Notwithstanding this, you will need to analyse:

- the types of activities you undertake (the services you offer) in the course of legal practice (p 6);
- the types of clients that request or are in receipt of your services (companies, individuals);
- the geographical areas in which the practice or your clients reside or do business; and
- the manner in which legal services are provided (in person, online, involving cash, etc).

This practice-specific element of a risk assessment cannot be precisely prescribed as the assessment must be undertaken holistically and can take account of unique risk variables.

No two practices are the same, so risk assessments and the methodologies applied may take different forms.

A guideline to service and client types, geographic connections and service delivery channel risks is set out in the table overleaf to assist you with your overall assessment of your practice's inherent risk. In *A Lawyer's Guide to Detecting and Preventing Money Laundering*,¹⁵ the authors point out that the elements of each of these risk categories can be applied discretely but may also interact and therefore need to be applied



cumulatively. For example, 'a transaction could have a "high" service risk because certain types of services (eg clearing money through client accounts [trust accounts]) are involved, but a "low" country risk because it originates from a country that is not subject to UN sanctions and has appropriate AML laws.'¹⁶

A *Lawyer's Guide* also notes that this approach to assessing risk is 'not explicitly embedded in any national laws to which a particular lawyer may be subject' but is 'good guidance in terms of encouraging lawyers how to think about the risks they face in an AML or terrorist financing context' and it ties in with helping you to identify red flag indicators.¹⁷

Service types	Client types	Geographic connections	Mode of service delivery
Using a trust account for transaction. Preparing for or carrying out a transaction for a client concerning: - buying or selling real estate; - managing client assets; - managing bank, savings or securities accounts; - creating, operating or managing a company, partnership or trust (or other legal person or arrangement); - buying or selling business entities; or - acting as a trustee, company officeholder, partner in a partnership, or similar in relation to another type of legal person or arrangement.	Individuals Companies Trusts Partnerships Complex structures/arrangements and/or where beneficial ownership or controlling interests are unclear. Charities and non-profit organisations especially those that are not monitored abroad for AML/CTF purposes by supervisory authorities (Note that the Australian Charities and Not-For-Profits Commission registers and regulates charities and publishes financial information for registered charities). Financial intermediary for the client where the intermediary is from a higher risk jurisdiction for money laundering and terrorism financing, and/or their professional/occupational exposure to the risk of money laundering and terrorism financing is insufficiently mitigated (eg by regulation). Clients whose identity or behaviour raises 'red flags' (see Red Flag List for Legal Practitioners) eg has criminal convictions for serious crimes PEPs (See <i>Guidance Note No 10 – How Do I Check Whether Someone is a PEP?</i>)	Links to countries identified by credible sources (eg FATF, International Monetary Fund, The World Bank) as, to a significant degree: - posing a money laundering or terrorism financing risk; - featuring corruption and other criminality; or - being an origin or transit point for funds/support for terrorist organisations. Links to United Nations sanctioned regimes.	Clients are sourced through various channels, typically by word-of-mouth referral but sometimes outside of networks. Contact with the client is never in person. Physical cash is involved. The legal practitioner is directly handling receipt and transmission of funds for a transaction using accounts that the law practice operates. The client's choice of legal practitioner for a matter is inconsistent with the practitioner's expertise at the time. Urgency and offers of uncommercially high fees. Where the client's relationship with the law practice raises any other 'red flags' (see Red Flag List for Legal Practitioners) eg the client is apparently a referred client but will not allow you to contact the referee.



As mentioned, you are not obliged by law to undertake a formal risk assessment. However, in practice it may be hard to apply and/or demonstrate the application of the risk-based approach without undertaking even a basic assessment of the nature and extent of the potential inherent risk.

The FATF recommends, when you do undertake a risk assessment, that you apply the information and categories set out above in a holistic way. Reliance solely on templates and checklists are strongly discouraged. It is also not legally mandated (but recommended) that you document the risk assessment that you undertake.





Example – Identifying Inherent Risk (Summary)
Wattle Law: A Fictional Small General Practice

Service types	Client types	Geographic connections	Mode of service delivery
Using a trust account for transaction. ✓ Preparing for or carrying out a transaction for a client concerning: • buying or selling real estate; ✓ • managing client assets; X • managing bank, savings or securities accounts; X • creating, operating or managing a company, partnership or trust (or other legal person or arrangement); • creating testamentary trusts – low risk ✓ • buying or selling business entities; ✓ • acting as a trustee, company officeholder, partner in a partnership, or similar in relation to another type of legal person or arrangement. X	Individuals ✓ Companies ✓ Trusts ✓ Partnerships ✓ Complex structures/arrangements and/or where beneficial ownership or controlling interests are unclear. ✓ Charities and non-profit organisations especially those that are not monitored abroad for AML/CTF purposes by supervisory authorities. ✓ (Note that the Australian Charities and Not-For-Profits Commission (ACNC) registers and regulates charities and publishes financial information for registered charities.) Financial intermediary for the client where the intermediary is from a higher risk jurisdiction for money laundering and terrorism financing, and/or their professional/occupational exposure to the risk of money laundering and terrorism financing is insufficiently mitigated (eg by regulation). X Clients whose identity or behaviour raises 'red flags' (see Red Flag List for Legal Practitioners) eg has criminal convictions for serious crimes. ✓ PEPs (See Guidance Note No 10 – How Do I Check Whether Someone is a PEP?) X	Links to countries identified by credible sources (eg FATF, International Monetary Fund, The World Bank) as, to a significant degree: • posing a money laundering or terrorism financing risk; X • featuring corruption and other criminality; or X • being an origin or transit point for funds/support for terrorist organisations. X Links to United Nations sanctioned regimes. X	Clients are sourced through various channels, typically by word-of-mouth referral but sometimes outside of networks. ✓ Contact with the client is never in person. X Physical cash is involved. X The legal practitioner is directly handling receipt and transmission of funds for a transaction using accounts that the law practice operates. ✓ The client's choice of legal practitioner for a matter is inconsistent with the practitioner's expertise at the time. X Urgency and offers of uncommercially high fees. X Where the client's relationship with the law practice raises any other 'red flags' (see Red Flag List for Legal Practitioners) eg the client is apparently a referred client but will not allow you to contact the referee. X



Identifying and Assessing Your Residual Money Laundering and Terrorism Financing Risks

Residual risk is the outcome of an assessment of the inherent risk after controls put in place to mitigate and manage that risk have been considered. You may have identified that you offer services in relation to which there is a particular level of inherent money laundering and terrorism financing risk.

Once you have assessed your inherent risk using the categories above, the next step is to assess the robustness of the existing systems and controls that are already in place in the practice.

Each practice is unique. In light of all that has been learned about money laundering and terrorism financing, each practice should carefully consider its own, existing systems in place within the practice and assess how they currently work to mitigate money laundering and terrorism financing risk.

The control areas you may wish to examine in this manner would involve you assessing your:

- client intake system;
- file management system;
- trust accounting processes;
- conveyancing file management protocols;
- procedures for supervision;
- staff hiring practices; and
- staff training.

For further assistance on next steps in applying the risk-based approach to your practice, see *Guidance Note No 7 – How Do I Mitigate and Manage My Risk?*

Residual money laundering and terrorism financing risks can be assessed by overlaying the inherent money laundering and terrorism financing risk with an assessment of the controls to mitigate that risk.



Example – Identifying Residual Risk – Wattle Law (Summary)

Risk Areas		Controls – A Summary	
Service types	Client types	Geographic connections	Mode of service delivery
Trust accounts Conveyancing Creating trusts testamentary trusts only – nil practical risk Buying and selling business entities	Individuals ✓ Companies ✓ Trusts ✓ Partnerships ✓ Complex structures/arrangements and/or where beneficial ownership or controlling interests are unclear. ✓ Charities and non-profit organisations especially those that are not monitored abroad for AML/CTF purposes by supervisory authorities. ✓ Clients whose identity or behaviour raises 'red flags' (see <i>Red Flag List for Legal Practitioners</i>) eg has criminal convictions for serious crimes. ✓	Clients are sourced through various channels, typically by word-of-mouth referral but sometimes outside of networks. ✓ The legal practitioner is directly handling receipt and transmission of funds for a transaction using accounts that the law practice operates. ✓	<u>Existing client intake systems</u> Individuals consistently IDed with 100-point verification method. Charities' registration with ACNC checked Overall robust although, with respect to cos, trusts: beneficial owner info not always recorded; other controlling interests not IDed. <u>File management systems</u> Robust systems though do not presently provide for documenting and monitoring red flags for money laundering or terrorism financing. <u>Trust accounting processes</u> Strong systems and oversight by book-keeper and principal. Currently no fields to capture source of funds information No formal monitoring for unusual features/patterns that could indicate money laundering/terrorism financing. <u>Conveyancing file management protocols</u> All PEXA files – Sch 8 VOI applied No foreign connections (ie funds, jurisdictions, PEPs). Robust, although – Source of funds not recorded/checked for -domestic PEPs (if any) -'bank of mum and dad' funding a purchase by company/trust (if any) <u>Procedures for supervision</u> Robust though the practice is busy. <u>Staff hiring practices</u> Robust with respect to legal practitioners. Other professional staff and support staff not checked for criminal convictions. <u>Staff training</u> Periodic, but does not (yet) deal with money laundering/terrorism financing risk.



Extensive notes for workshops accompany the summarised 'Wattle Law' example. These are supplied in this Guidance suite as *Workshop Notes for Identifying and Assessing My Risk*.

References

1. The prohibitions under the criminal law and the legal and professional responsibility frameworks for legal practitioners are outlined in *Guidance Notes Nos 2 and 3*.
2. The AML/CTF Act and subordinate legislation set out detailed risk mitigation practices for 'reporting entities' under that legislative regime.
3. A typology is a cross between a method and a case study, and can also refer to a document that describes a series of case studies and/or methods.
4. AUSTRAC, *Money Laundering in Australia (National Threat Assessment)* (2011) <https://www.austrac.gov.au/business/how-comply-guidance-and-resources/guidance-resources/money-laundering-australia-2011>. See also AUSTRAC, *Terrorism Financing in Australia (National Risk Assessment)* (2014) <https://www.austrac.gov.au/sites/default/files/2019-07/terrorism-financing-in-australia-2014.pdf> and AUSTRAC, *Proliferation Financing in Australia, National Risk Assessment*, December 2022 https://www.austrac.gov.au/sites/default/files/2022-12/AUSTRAC_Proliferation_Financing_in_Australia-National_Risk_%20Assessment_Web.pdf.
5. <https://www.fatf-gafi.org/en/publications/Methodsandtrends/Mltf-vulnerabilities-legal-professionals.html>.
6. <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfrecommendations/Rba-legal-professionals.html>. Of slightly lesser relevance but of interest may be the FATF's typology report, *Professional Money Laundering*, published in 2018: <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Professional-Money-Laundering.pdf>.
7. Every legal profession has its own unique regulatory framework, and every country's money laundering and terrorism financing threats are specific to it. Care should be taken to avoid assuming that the same risks and mitigations that apply in other countries apply equally in the Australian context. However, see New Zealand: Department of Internal Affairs, *Law Firms: Money Laundering and Terrorism Financing Risk Summary* (updated May 2023) [https://www.dia.govt.nz/diawebsite.nsf/Files/AML-CFT-2023/\\$file/Law-Firms-Money-Laundering-and-Terrorism-Financing-Risk-Summary.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/AML-CFT-2023/$file/Law-Firms-Money-Laundering-and-Terrorism-Financing-Risk-Summary.pdf); England and Wales: Solicitors Regulation Authority, Sectoral Risk Assessment: Anti-Money Laundering and Terrorist Financing (28 January 2021) <https://www.sra.org.uk/sra/research-publications/aml-risk-assessment/>. See Canadian guidance, particularly Canadian Federation of Law Societies (2020) *Risk Assessment Case Studies for the Legal Profession* <https://flsc.ca/what-we-do/fighting-money-laundering-and-terrorist-financing/>.
8. Other sources of information include *A Quick Guide* published by the Australian Parliament (24 August 2022): https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/pubs/rp/rp2223/Quick_Guides/AustralianSanctionsLaw.
9. Russ + Associates (2023) *Vulnerabilities Analysis: Money Laundering and Terrorism Financing – The Australian Legal Profession (Vulnerabilities Analysis Report)*.
10. Vulnerabilities Analysis Report, Executive Summary, (r)x.
11. Vulnerabilities Analysis Report at [71]-[74].
12. Vulnerabilities Analysis Report, executive summary, (o).



13. Vulnerabilities Analysis Report at [64].
14. Vulnerabilities Analysis Report, executive summary, (o), third dot-point; [69],[70] and [101]-[103].
15. IBA, ABA and Council of Bars and Law Societies of Europe (2014) *A Lawyer's Guide to Detecting and Preventing Money Laundering*, at 28-29.
16. IBA, ABA and Council of Bars and Law Societies of Europe (2014) *A Lawyer's Guide to Detecting and Preventing Money Laundering*, at 29.
17. IBA, ABA and Council of Bars and Law Societies of Europe (2014) *A Lawyer's Guide to Detecting and Preventing Money Laundering*, at 29.

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