

Conveyancer trust accounts and audit requirements

What you need to know about conveyancer trust accounts and audit requirements, including licensee obligations and the forms you need to use.

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Key information

- Licensed conveyancers must hold client funds in a trust account kept with an authorised deposit taking institution that is approved by the Fair Trading Commissioner.
 - Under the Conveyancers Licensing Act 2003, all records relating to trust money held must be audited and submitted to NSW Fair Trading regardless of the results.
 - You must submit the results of trust account audits using the Auditors Report Online portal.
 - Audits for the year ending 30 June 2023 must be lodged with Fair Trading by 30 September 2023.
 - Unclaimed money held in a trust account must be reported to NSW Fair Trading.
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Conveyancer trust accounts

Licensees under the Conveyancers Licensing Act 2003 (the Act) must hold client funds in a trust account kept at an authorised deposit taking institution.

Funds held on behalf of a person cannot be used for any other purpose and must be paid to or disbursed as directed by that client.

You can find more information about trust accounts in [Part 5 of the Act](#).

Approved deposit taking institutions

Trust accounts must be kept at an authorised deposit-taking institution in NSW.

The Secretary has approved the following deposit-taking institutions:

- ANZ Bank - Australia and New Zealand Banking Group Limited
- BCU Bank - a division of Police & Nurses Limited
- BOQ - Bank of Queensland
- Bank of Sydney Ltd
- BankWest - a division of Commonwealth Bank of Australia
- Bendigo Bank Limited - Bendigo and Adelaide Bank Limited
- Berrima District Credit Union - BDCU Limited
- Coastline Credit Union Ltd
- Commonwealth Bank of Australia
- Delphi Bank - Bendigo and Adelaide Bank Limited
- HSBC Bank Australia Limited
- Hume Bank Limited
- Illawarra Credit Union Limited
- IMB Bank - IMB Ltd
- Macquarie Bank Limited
- NAB Bank - National Australia Bank Limited
- Newcastle Greater Mutual Group Limited
- Regional Australia Bank Ltd
- St. George Bank Limited
- State Bank of India
- Southern Cross Credit Union Ltd
- Suncorp Bank - Suncorp-Metway Ltd
- The Mutual Bank - Maitland Mutual Limited
- The Summerland Credit Union Ltd
- Unity Bank Limited
- BankWAW - WAW Credit Union Co-operative Ltd
- Westpac - Westpac Banking Corporation.

Opening a trust account

Trust account(s) opening notice

As a licensed conveyancer, you must notify an authorised deposit-taking institution, at the time of opening, of the following type of accounts:

- general trust accounts
- a separate trust account that is opened with the instructions of the client.

You must complete the Trust account(s) notice (conveyancer blue form), as the required method of notification, and to direct the interest accrued in those account(s) to NSW Fair Trading.

This form is to be signed (in triplicate) for lodgement with the authorised deposit-taking institution, where:

- the original is to be retained by the authorised deposit-taking institution
- the duplicate copy (signed by the authorised deposit-taking institution) is to be sent by the licensee to NSW Fair Trading using the address indicated on the form, and
- the triplicate copy is to be retained by the licensee (signed by the authorised deposit-taking institution).

This form can list up to 3 trust accounts. A copy is to be sent by email to:

StatutoryInterestUnit@customerservice.nsw.gov.au

Trust account(s) exemption notice

As a licensee, the trust account(s) exemption notice (pink form) is to be used whenever you open a separate account:

- on the instructions of the client to whom those funds belong, or,
- for the exclusive benefit of a vendor and a purchaser of land.

These types of accounts are exempt from the requirement for interest to be directed to NSW Fair Trading.

This form is to be signed (in duplicate) for lodgement with the authorised deposit-taking institution, where:

- the original is to be retained by the authorised deposit-taking institution
- the duplicate copy is to be retained by the licensee (signed by the authorised deposit-taking institution).

This form can list up to three trust accounts. A copy is to be sent by email to:

StatutoryInterestUnit@customerservice.nsw.gov.au

Closing a trust account

When closing a trust account, you must notify the Fair Trading Commissioner that the account has been closed within 14 days.

The letter of notification should include a copy of the last bank statement (if available), and should be sent by email to: StatutoryInterestUnit@customerservice.nsw.gov.au

Statements of account

You must provide clients with a periodical statement of account:

- within 14 days after you receive a written request for the statement
- within 21 days after the completion of the matter relating to the account
- within 21 days after the closure and removal of the account
- within 21 days after 31 March and 30 September each year – this is subject to certain exceptions, including if the client has provided a waiver of this requirement in the approved form which has not been revoked.

A client may give written notice waiving the requirement to receive a statement of account within 21 days after 31 March and 30 September each year by completing the Statements of account waiver form.

Trust account audit requirements

Under the Act, the records of any trust money held by conveyancers must be audited.

The following people must submit an audit of their trust account to NSW Fair Trading if they received or held trust money during the financial year ending 30 June of each year:

- a licensee
- a former licensee, or
- a personal representative of a licensee.

The audit must be lodged within 3 months after the end of the audit period.

For the audit period ending 30 June, the audit must be lodged with NSW Fair Trading no later than 30 September of that year.

If a trust account audit is not lodged by the due date, licensees could be disqualified from holding a licence and possibly prevented from renewing a licence.

Where a licensed corporation receives and is responsible for trust funds, a trust account audit must be lodged by the licensed corporation.

If an individual licensee receives and is responsible for trust money, a trust account audit must be lodged by the individual licensee.

Who can conduct the audit?

Auditors must be registered with the Australian Securities and Investments Commission (ASIC) or be qualified under section 79 of the Conveyancers Licensing Act 2003.

Registered audit companies, authorised company auditors and members of a Professional Accounting Body holding a Public Practising Certificate with one or more of those bodies can conduct the audit.

A Professional Accounting Body is defined under the Australian Securities and Investments Commission Act 2001 (Commonwealth) and includes CPA Australia, Chartered Accountants of Australia and the National Institute of Accountants.

An auditor cannot:

- be employed by, nor a partner of, the person whose records or documents are to be audited within the last two years of the audit period,
- be a licensee, or a shareholder in a corporation that is a licensee with no more than 20 shareholders.

An auditor can be a person who has been nominated by the person whose records and documents are to be audited. To perform the audit, they must also have been approved by the Fair Trading Commissioner by order in writing.

To check the registration of an auditor, visit the [ASIC website](#).

Audits for the 2022/23 financial year

To help you prepare an audit report for trust money held during the 2022/23 financial year, visit the [Trust account auditors](#) page.

Audits must be submitted using the Auditor's Report Online portal.

[Go to Auditors Report Online](#)

If you have any queries about the audit requirements, you can contact Fair Trading on 13 32 20.

No trust money held for the 2022/23 financial year

If a licensed corporation or individual licensee has not held any trust money during 2022/23, then a declaration must be lodged. This means that every licensee, both corporation and individual, must lodge either a trust account audit or a declaration.

Completed declarations must be returned within three months after the end of the audit period (30 September).

To prepare a declaration that no trust money was held during the 2022/23 financial year, download and complete the [Notice that licensed conveyancer did not receive or hold trust money](#) form.

If a licensee does not lodge a correct declaration by the due date they can be served with a fine of up to \$1,100, or court action resulting in a fine up to \$11,000.

Declarations should be sent by email to audits@customerservice.nsw.gov.au.

Audits for other financial years

If you have an outstanding audit commitment for any previous financial year, send your enquiry to: audits@customerservice.nsw.gov.au.

Unclaimed trust money

Information about unclaimed trust money and the statements that need to be completed by conveyancers can be found in the Act.

Unclaimed money statement under section 62(1)

You must report the details of any unclaimed money held in a trust account for more than 2 years to NSW Fair Trading in January each year.

The requirement to prepare an unclaimed money statement is set out under [section 62\(1\) of the Act](#).

If unclaimed money is held in a licensee's trust account in January, and this money was received more than 2 years previously, the licensee must prepare an unclaimed money statement. The statement, which must be completed by the licensee in January and received by NSW Fair Trading in the same month, must be in the form approved by the Fair Trading Commissioner.

Download the approved [Unclaimed money statement under section 62\(1\)](#) form.

The explanatory notes at the end of the form provide further information.

Statement under section 63(1)

Any money held in a trust account by a person who is no longer a licensee, or is the personal representative of a deceased licensee, must be reported to NSW Fair Trading.

The requirement to prepare a statement under these circumstances is set out under section 63(1) of the Act.

This statement must be received by Fair Trading within 3 months of the person ceasing to be a licensee or becoming the personal representative of a deceased licensee, and needs to be in the form approved by the Fair Trading Commissioner.

Download the approved [Statement of trust money held by a former licensee or personal representative of a deceased licensee under section 63\(1\)](#) form.

The explanatory notes at the end of the form provide further information.

Unclaimed money statement under section 63(3)

Twelve months after making a statement under section 63(1), a person who has ceased to be a licensee or is the personal representative of a deceased licensee, must report the details of any unclaimed trust account money to NSW Fair Trading.

The requirement to prepare a statement under these circumstances is in section 63(3) of the Act.

The statement must be in the form approved by the Fair Trading Commissioner and needs to be received by Fair Trading within 14 days after 12 months has passed since making a statement under section 63(1).

Download the approved [Unclaimed money statement under section 63\(3\)](#) form.

The explanatory notes at the end of the form provide further information.

How to report the details of any unclaimed money held in a trust account

Email or post relevant completed form to:

Email: compensationfunds@customerservice.nsw.gov.au

Post:

Conveyancers Unclaimed Trust Money

C/- Compensation Funds Team

NSW Fair Trading

PO Box 972 Parramatta

NSW 2124

[Prev](#) [Conducting a conveyancing business](#)

<https://www.fairtrading.nsw.gov.au/trades-and-businesses/business-essentials/conveyancers/trust-accounts-and-audit-requirements>

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