



Advice Note – Usage of Trustless Accounting Platforms

The Property Agents Board (the Board) considers that the operation and use of statutory trust accounts by property agents in Tasmania is a foundational concept of the property agents industry. This is because property agents are dealing with significant amounts of other people's money and their use strengthens, and safeguards transactions held on behalf of clients and customers, and protects those funds from uncertainty, or improper interference.

The Board's current position and preference is that property agents control all rent, bond and sales monies via a statutory trust account until it is required to be appropriately disbursed.

The Board is aware of a variety of electronic platform products marketed to the property agents industry that can be used by clients and customers to transact rent or sales deposit money which bypasses these monies from being deposited into a property agent's statutory trust accounts.

The Board is particularly interested in how the use of these platform products will affect the Board's ability for oversight of statutory trust accounts which is a key regulatory function under the *Property Agents and Land Transactions Act 2016*. As such, any business model or systems and platforms which circumvents or reduces the Board's capacity for oversight of trust money transactions is of concern to the Board.

The Board is focussed on how systems and platforms which bypass deposits of monies into statutory trust accounts will impact consumers in their redress for compensation if there is fraudulent and criminal activity in relation to the distribution of these monies as currently occurs under the Act.

The Board is exploring all the above issues through legislative amendments. It is anticipated that any such amendments will confirm the Board's position that any monies relating to rent or sales deposit money must be deposited into a statutory trust account as property agents should control all rent, bond and sales monies via a statutory trust account.