BRANSGROVES REPORTING GROUP

Analysis of Role provided by Private Mortgage Holdings P/L

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Purpose	Contemporaneous record of the analysis on which the group's AUSTRAC enrolments and the Certification as to Title are based
Review	On any change to the lending structure, the Act or Rules, relevant AUSTRAC guidance, or judicial consideration of trustee-provided designated services

The structure

1. Private Mortgage Holdings Pty Ltd (PMH) acts as bare trustee for investor clients of Bransgroves Lawyers who advance funds on the security of registered mortgages over Australian real property. PMH is in each case the named lender under the loan deed, the mortgagee registered on title, the counterparty that sues and is sued on the securities, and the registered holder of associated PPSR interests.

2. Beneficial lenders advance funds by bank transfer to the firm's trust account; interest and principal are returned to them through the same channels or collected an distributed by PMH. PMH has provided loan services since 2 December 2022 and has been enrolled with AUSTRAC since October 2023 (AAN 100851575).

The question

3. For the purposes of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth): who provides the "loan services" designated service where a loan is made in PMH's name as bare trustee — PMH, or the beneficiary for whom it holds the security?

The group's position

4. The group's considered position is that PMH is the provider of the designated service. The reasons:

   a. Counterparty analysis. The designated service of making a loan is provided by the person who makes the loan. The lender under the deed, the mortgagee on title and the obligee of the covenant to repay is PMH. The borrower's legal relationship — the relationship in which the designated service subsists — is with PMH alone; most borrowers neither know nor deal with the beneficiaries.

   b. Capacity analysis. The Act contemplates services provided by a person in the capacity of trustee; a corporate trustee carrying on activities in that capacity is itself the reporting entity in respect of those activities. PMH lends systematically, repeatedly and as a business, in its own name, albeit for the benefit of others — the hallmark of the trustee as provider. Individual investors lack the capacity to comply – except by outsourcing – which is what they are doing.

   c. Regulatory coherence. Attribution to PMH produces one enrolled, programmed, examinable reporting entity per loan book, with complete CDD records, rather than dispersing the obligation across dozens of passive investors who have no relationship with the borrower and no practical capacity to perform CDD. The compliance outcomes the Act seeks — identification of the borrower, monitoring, reporting, records — are all delivered, by the entity best placed to deliver them.

   d. Secondary and independent point. Many beneficiaries (in particular retired individuals investing SMSF funds in a small number of loans) would in any event not be "carrying on a loans business" and so would provide no designated service even lending in their own names. For that class the attribution question is moot.

Operational consequences

5. PMH is enrolled with AUSTRAC for loan services (commenced 2 December 2022) and for facilitating or performing roles in corporate/legal arrangements, as a member of the Bransgroves reporting group.

6. The firm performs borrower CDD on PMH's behalf under the group program; the Certification as to Title records the procedures on each advance.

7. Lenders that are themselves reporting entities are served under the agency/reliance arrangement recorded in the Certification as to Title.

8. This memorandum is retained with the group AML/CTF program and reviewed on the triggers stated above.

Signed by the sole director of Private Mortgage Holdings P/L

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Matthew Bransgrove — Director, AML/CTF Compliance Officer   Date 2 August 2026