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## **Guidance to AIPP Members - Anti-money laundering (AML) regulations**

AML regulations apply to all agents selling domestic and foreign property to British buyers.

If you are involved in UK-based estate agency work, even if you do not accept client monies and even if you are not a UK-registered company, you will be affected by registration requirements under anti-money laundering (AML) regulations in the UK.

Failure to register with HMRC for AML can bring very severe penalties - even if you are not in breach of AML regulations.

### **Sale of property – UK & Abroad**

- HMRC is the governing authority for AML in the UK
- HMRC issued, in early 2019, free online tools to assist agent compliance with AML requirements. [Access these free HMRC tools via this link](#)
- AIPP maintains that, for just a £130 fee, all agent members should register with HMRC – [click this link to directly register for AML with HMRC](#)
- Read the latest information from [HMRC via this link](#)

You may wish to read a couple of AIPP Blogs on this subject, including agents being fined between £1,000 - £215,000. [Read AIPP Blog 1 here](#) and [Read AIPP Blog 2 here](#). Both Blogs have links to further supporting materials.

### **Who should register**

You must register with HMRC if your business carries out any activity defined as estate agency work under Section 1 of the Estate Agents Act 1979.

This means you should register with HMRC if you're acting in the course of business, and on instructions from a customer who wishes to buy or sell commercial or residential property, and that you are acting to introduce someone who wishes to buy or sell a property to a customer; or acting after such an introduction to secure the sale or purchase of a property, whether in the UK or abroad.

### **This type of work includes, for example:**

- sending out property particulars and arranging viewings
- offering personal advice to potential sellers or buyers
- receiving / fielding queries from potential sellers / buyers, passing on details to customers
- providing an energy performance certificate or arranging for it to be provided
- providing a property valuation
- providing a plan of a property and taking photographs
- providing clients with a 'For Sale' board and/or putting it up outside their property where the board contains the Estate Agency Businesses contact details and the business deals with potential buyers on behalf of the seller

### **From a foreign property perspective, categories of businesses that should register are:**

- high street residential Estate Agency Businesses
- commercial Estate Agency Businesses
- property or land auctioneers
- land agents
- relocation agents, property finders, private acquisitions specialists
- a sub-agent providing estate agency services to a principal Estate Agency Business
- asset management businesses that also provide estate agency services

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- business brokers or transfer agents that broker the sale or transfer of client businesses to third parties
- letting or property management agents offering services to landlord customers
- construction companies (house builders) with a sales office at a construction site, to the extent that they offer additional estate agency services beyond the sale of their own construction units

**You don't need to register if you're:**

- a lettings agent only carrying out lettings work
- an auctioneer already registered with HMRC as a High Value Dealer
- 'publishing advertisements or disseminating information', eg in a newspaper
- an intermediary such as an internet property portal for private sales, which merely provide a platform for private sellers to advertise their properties and provide a means for sellers and buyers to contact and communicate with one another - this exemption applies only if you do nothing else covered by the general definition of estate agency work
- a solicitor carrying on estate agency work as part of that practice as a solicitor, and not as a separate business

If an Estate Agency Business is regulated by the Financial Conduct Authority (FCA) for another purpose, HMRC and the FCA will consider the possibility of a single supervisor overseeing the AML arrangements for individual businesses on a case by case basis.

If your business is an appointed representative of a firm that is authorised by the FCA, then the FCA will not be your supervisor and you must register with HMRC.

**Advisory Notice on Money Laundering and Terrorist Financing controls in Overseas Jurisdictions**

On the 3rd November 2017, the Financial Action Task Force (FATF) published the Advisory Notice on Money Laundering and Terrorist Financing controls in Overseas Jurisdictions, please click [here](#) to read (Updated by HMRC February 2019)

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