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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.

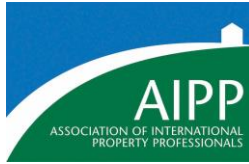
This type of work includes, for example:

- 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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