Anti-money laundering registration exemption widened

General Features

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HMRC have extended the Accountancy Service Provider exemption from anti-money laundering registration to also include those working for Financial Conduct Authority supervised banks.

To date, it has not been necessary for members to be registered for anti-money laundering (AML) supervision when providing all of their services to other accountancy service providers, provided certain requirements have been met. This is based on the exemption published by HMRC and adopted by the CIOT and ATT in relation to their members acting under the same arrangements.

In broad terms, accountancy service providers are auditors, accountants, tax advisers/consultants, payroll agents and customs practitioners, etc. providing accountancy or tax services. The original exemption applied only where the member worked solely for other AML supervised accountants and had an agreement in writing with each one confirming that they were included in the accountant's AML compliance and did not do business directly with the accountant's clients. The CIOT and ATT raised the possibility of this exemption being extended to those providing tax services on a subcontract basis to banks. We were aware that some members have been providing these subcontract services and were receiving significant AML training and meeting the bank's other AML requirements but still had to register with us for AML supervision because they were not providing services to an accountancy service provider. HMRC have worked with the Financial Conduct Authority (FCA) on this issue and have updated the exemption to include those working for FCA supervised banks. The CIOT and ATT will therefore also apply this exemption when determining whether a member needs to register for AML supervision. The full text of the exemption as published by HMRC (https://tinyurl.com/y2hfqz4v) is set out below:

‘If all your customers are accountancy service providers supervised by HMRC or a professional body, or banks supervised by the FCA you do not need to register so long as:

- you do not do business directly with the supervised accountancy service providers or the banks’ own customers;
- you’re included in the supervised accountancy service providers or banks’ anti-money laundering controls and procedures, suspicious activity reporting, and training programmes;
- you have a written contract with each of your customers confirming that every aspect of the relationship between you meets all anti-money laundering requirements.

‘You need to meet all these conditions, otherwise you’ll need to register.’

Any members currently registered for AML supervision with the CIOT or ATT who think they may now come within the exemption should email aml@tax.org.uk or aml@att.org.uk, setting out details of the arrangements you have in place and why you consider that you no longer need to register for AML supervision. We may ask you to supply copies of your written agreements with any accountancy service providers or banks. For most members, the extension to the exemption will make no difference to the requirement to be registered for AML supervision and all members are reminded of the need to meet all the statutory requirements placed on firms under the Money Laundering Regulations and associated legislation. Further guidance is available on the
CIOT website (www.tax.org.uk/AMLCTF) and ATT
website (www.att.org.uk/members/aml).