

WHAT: Documentation required for AML compliance.

WHEN: A regulated ‘Art Market Participant’ (AMP) is selling via an unregulated agent whose buyer is a company.

“Where a customer is acting as an agent, the AMP conducting the transaction has an obligation under the ML Regulations to carry out CDD on the agent and also on the ultimate customer, as the AMP must know the identity of the person who is ultimately paying for the work of art. The AMP must also verify that the agent is authorised to act on behalf of the customer. An AMP acting as a selling agent has an obligation to carry out CDD on the person on whose behalf they are selling the artwork. The buyer, or his agent, however, has no obligation or right to know the identity of the ultimate seller.”

- Paragraph 51, Part 1 – Overview, of the British Art Market Federation’s ‘Guidance on Anti Money Laundering’ (24th January 2020), approved by HM Treasury

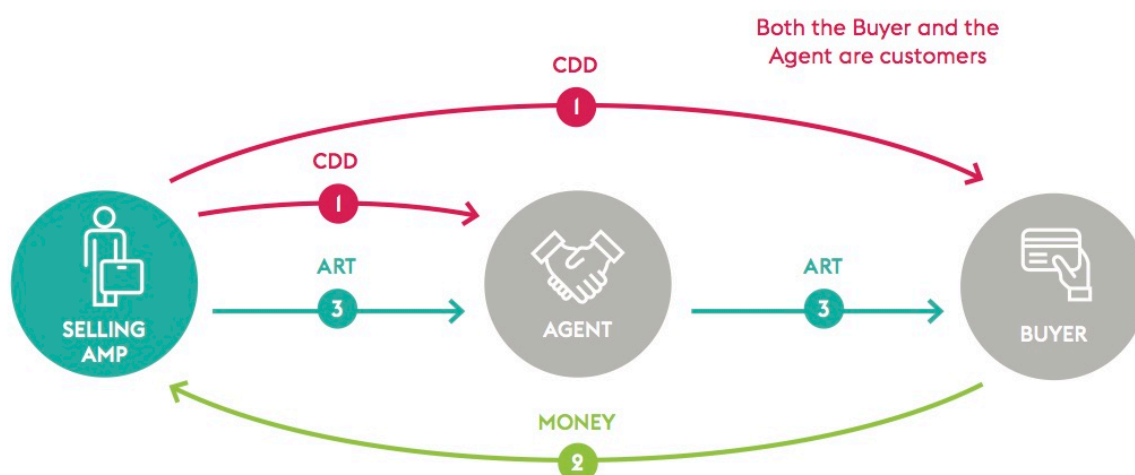
Visual: Who needs to do what when an AMP is ‘selling via an intermediary’

The below example taken from the BAMF Guidance shows payment going directly from the Buyer to the Selling AMP which might or might not be the case in your real-life scenario (which does not impact upon what needs to be done). Moreover, the art might instead be going directly from the Selling AMP to the Buyer.

[Download the full guide:](#) A visual guide to anti-money laundering for the art market for private sales

Selling via an intermediary

Regulated Dealer/Gallery (‘Selling AMP’) is selling a work of art to a Buyer.
An Agent is acting for the Buyer but the Buyer is paying the ‘Selling AMP’ direct.



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Information provided in this document is based upon the British Art Market Federation’s ‘Guidance on Anti Money Laundering’ (pub. 24th Jan 2020) and does not constitute legal advice nor is it to be relied upon as such. Independent legal advice might be sought depending upon your specific needs.

In addition to conducting an AML check on the agent (who is a ‘customer’ of the AMP in the context of AML legislation), the AMP must obtain (and then verify) the following of the buyer (note- that this information-gathering can be done securely via the ArtAML platform):

1) Company basics:

- Company name.
- Registered company number and details of company register.
- Registered office address in the country of incorporation.
- Principal business address (if different from the registered office).
- The names of Company Directors and senior persons responsible for operations.
- A copy of the articles (of association) or other governing documents, as relevant in the corresponding legal jurisdiction.

2) Documentation required for Customer Due Diligence:

2 – option 1: For a company not listed on a stock exchange

Details of the ultimate beneficial owners* (UBOs), including:

- Legal name.
- Government-issued photo ID.
- Proof of primary residential address.

Tip: Photo ID and proof of address are to be separate documents.

Best practice: Proof of address from the last three months.

***Ultimate beneficial owners are those who:**

Ultimately own or control (whether through direct or indirect ownership or control, including through bearer share holdings or by other means) more than 25% of the shares or voting rights in the body corporate; or exercises control over the management of the body corporate; or otherwise exercises significant influence or control over the body corporate.

2 – option 2: For a company listed on a stock exchange

Details of that listing, such as:

- Name of stock exchange.
- Company code for the listing.
- Other reference information available that enables listing verification.

3) Bearer Shares

Does the company have any shares in the form of bearer shares*?

While unusual for businesses today, if bearer shares are held, details of them must be taken and recorded. (As change of ownership is not digitally recorded, ownership should be checked for each transaction undertaken with the company.)

* This is a physical document that entitles the holder of the document rights of ownership or title to the underlying property, such as shares or bonds.

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