

How-to Guide:

# Relying on another AMP's AML checks using 'Reliance'

*(based on UK guidance)*

*Reliance enables you to an AML check conducted by another Art Market Participant when you're involved in the same transaction.*

*This overview shows you how to rely on another AMP's AML checks.*

*(To have another AMP rely on your AML check, download a Certificate of Completion from your Completed Tasks dashboard and share that with the AMP. They can in turn do the equivalent that you're doing in this overview using their own system or ArtAML account.)*

***There are several conditions that need to be met:***

- 1 – The party on whom you're relying needs to be an Art Market Participant or be regulated by equivalent legislation (as an AMP or another sector that is regulated for AML) in the jurisdiction where they are based.*
- 2 – You're only able to use Reliance on the next party along in the transaction- in other words, the next layer and not multiple layers.*

***The purpose of Reliance*** is to lessen the burden for collectors, by not having both yourself and the other AMP requesting the same information. This helps smooth the transaction from the collector's perspective, but does introduce obligations for the AMPs involved (see the next point).

*According to the BAMF Guidance 2020, you are required to know the identity (i.e., name) of the Ultimate Beneficial Owner. If you request this information and the AMP upon whom you would like to use Reliance refuses to provide the identity of the UBO, it is your decision, taking a risk-based approach, on whether or not you proceed with the transaction. If you *do* proceed without being given the identity of the UBO by your Reliance Partner, it is important to document the attempt(s) you have made to collect required information.*

*Section 41 of the Money Laundering Regulations 2017 states that "Any personal data obtained by relevant persons for the purposes of these Regulations may only be processed for the purposes of preventing money laundering or terrorist financing." By using the ArtAML platform's Reliance solution, you undertake to not use the information attained from the AMP upon whom you're relying for any purpose other than to fulfil AML / compliance obligations.*

*Note that you retain responsibility for the quality of compliance conducted. Learn more about reliance in our [blog](#).*

# Add Reliance Partner

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## TASK PROGRESS:

### EXAMPLE BUSINESS

- ☒ Jurisdiction
- ☐ Arrangements
- ☐ Confidentiality
- ☐ Data Protection
- ☒ Risk Summary

## Example Business Jurisdiction

Business name

Example Business

Country of registration

United Kingdom

You may only use rely upon "another person who carries out business in the UK" if they are subject to the requirements of the ML Regulations.

UK regulated entities are supervised by professional bodies such as the Law Society, Insolvency Practitioners Association, or the Financial Conduct Authority. Businesses (such as Art Market Participants) that are not supervised by professional bodies are supervised by HMRC.

BAMF Guidance Para 5.194

Which regulated sector does Example Business operate in?

Art Market Participants

You can check if a business is registered with HMRC for money laundering supervision on this page:

<https://www.gov.uk/guidance/money-laundering-regulations-supervised-business-register>

Is the AMP registered (or do they intend to register) with HMRC?

- ☒ Yes  
☐ No

After June 10 2021, AMPs must be registered with HMRC

Please enter the HMRC ML registration number.

12345678

If the business is not registered (prior to June 10 2021), explain the steps they have taken so far.

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TASK PROGRESS:

EXAMPLE BUSINESS

- ☒ Jurisdiction
- ☐ Arrangements
- ☐ Confidentiality
- ☐ Data Protection
- ☒ Risk Summary

## Example Business Arrangements

You *must* enter into arrangements with the business being relied on which:

- Enables you to obtain from them immediately on request copies of any identification and verification data and any other relevant documentation on the identity of the customer or beneficial owner;
- Requires them to retain copies of the data and documents referred to for the periods set out in Regulation 40 (see paragraphs 7.11 and 7.18).

BAMF Guidance Para 5.196

Do you have such an arrangement(s)?

- ☒ Yes  
☐ No

## Documents

No file selected

Choose file

Remove answer

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TASK PROGRESS:

EXAMPLE BUSINESS

- ☒ Jurisdiction
- ☐ Arrangements
- ☒ Confidentiality
- ☐ Data Protection
- ☒ Risk Summary

## Example Business Confidentiality

IMPORTANT.

Reliance cannot be used to hide the identity of the buyer. When using reliance you must obtain the following information:

- The identity of the customer or beneficial owner whose identity is being verified;
- the level of CDD that has been carried out; and
- confirmation of the third party's understanding of his obligation to make available, on request, copies of the verification data, documents or other information.

BAMF Guidance Para 5.202

Please confirm that you understand that reliance may not be used to hide the identity of a buyer.

- ☒ Yes  
☐ No

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## TASK PROGRESS:

### EXAMPLE BUSINESS

- ☒ Jurisdiction
- ☐ Arrangements
- ☒ Confidentiality
- ☒ **Data Protection**
- ☒ Risk Summary

## Example Business Data Protection

### Confidentiality

The Money Laundering regulation (2017) state:

*41. (1) Any personal data obtained by relevant persons for the purposes of these Regulations may only be processed for the purposes of preventing money laundering or terrorist financing.*

Please confirm that you understand that personal information you receive from another business via reliance will not be used for anything other than AML purposes.

- ☒ Yes  
☐ No

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## TASK PROGRESS:

### EXAMPLE BUSINESS

- ☒ Jurisdiction
- ☐ Arrangements
- ☒ Confidentiality
- ☒ Data Protection
- ☒ Risk Summary

## Example Business Risk Summary

No red flags have been identified in your answers

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## TASK PROGRESS:

### EXAMPLE BUSINESS

- ✓ Jurisdiction
- ✓ Arrangements
- ✓ Confidentiality
- ✓ Data Protection
- ✓ Risk Summary
- ✓ **Final Decision**

## Example Business Final Decision

Reminder: When using reliance you are legally liable for the results of any checks carried out by another business.

Do you approve Example Business as a  
reliance partner?

- ☒ Yes  
☐ No

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# Add UBO as a new Customer

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## New Customer Customer Type

Please note:

Once a customer has been approved, they should be associated with a transaction.

Creating a transaction requires you to answer other questions that are important for the due diligence process.

Choose a customer type

- ☒ Private Individual
- ☐ Company
- ☐ Trust
- ☐ Sole Trader Coming soon
- ☐ Partnership Coming soon
- ☐ Estate Coming soon
- ☐ Power of Attorney Coming soon
- ☐ Other Coming soon

Cancel

Create

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# Use Reliance for that UBO

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## TASK PROGRESS:

PRIVATE INDIVIDUAL

Manual or Remote

## Private Individual Manual or Remote

Select how you want to collect the ID documents and address information for this person

### Take a risk-based approach

The options available to you here provide different levels of checks on identity documents.

It is up to you to decide which is the most appropriate. If you choose an option that allows for fewer checks, you can record the reason why you think that option is appropriate.

- ☐ Remote upload with identity document verification
- ☐ Local upload with identity document verification
- ☐ Local upload without identity document verification
- ☐ Simplified due diligence
- ☒ Use reliance

### Reliance

This allows you to rely upon another regulated entity's CDD checks.

In order to use this, you must first set up a Reliance Partner. (Reliance Partners can only be set up by Risk Manager users, as there are significant risks and liabilities that arise from using reliance).

Reliance can only be used by Risk Managers.

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# Private Individual Reliance Partner

Reliance Partner  
No current relationships

Reliance Partner

Example

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Name	Status	action
Example Business	Approved	Add

1

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TASK PROGRESS:

ENTER NAME HERE IF KNOWN

Reliance Partner

Reliance Information

Risk Assessment

## Enter name here if known

### Reliance Information

IMPORTANT.

Reliance cannot be used to hide the identity of the buyer. When using reliance you must obtain the following information:

The identity of the customer or beneficial owner whose identity is being verified;

the level of CDD that has been carried out; and

confirmation of the third party's understanding of his obligation to make available, on request, copies of the verification data, documents or other information.

BAMF Guidance Para 5.202

Please enter the name of the ultimate beneficial owner.

Enter name here if known

You may also only rely on verification actually carried out by the business you are relying upon.

This means that you not pass on verification carried out for it by another entity.

BAMF Guidance Para 5.199

Do you have details of the identity document verification checks carried out?

- Yes
- No

Please explain why not.

We've requested that the auction house provides data on checks carried out, however they won't provide it. They've undertaken a commitment to provide data in the case of an audit. See below for a screenshot of our request for the CDD data and the auction house's response. They have an excellent AML regime and as we have determined there to be a low risk of money laundering owing to their compliance department, we're proceeding with the transaction.

Do you have details of the CDD checks carried out?

- Yes
- No

Please explain why not.

As above.

Do you want to add any documents relating to this page?

Optional

- Yes
- No

### Documents

Document

3 categories of CDD subscribers (la ...

Choose file

Remove answer





# Address red flags

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## TASK PROGRESS:

### ENTER NAME HERE IF KNOWN

- ☒ Reliance Partner
- ☒ Reliance Information
- ☒ **Risk Assessment**
- ☐ Final Decision

## Enter name here if known Risk Assessment

Red flag(s) have been raised

1. Details of verification checks are not available.
2. Details of CDD checks are not available.

Add any notes or documents you need to document your checks and decisions.

If you know or suspect that a person is engaged in money laundering or terrorist financing, the nominated officer (MLRO) must make a report to the national Crime Agency.

<https://nationalcrimeagency.gov.uk/>

## Notes **Optional**

Note **Optional**

Remove answer

Add another

Are you happy with the results of the checks you have carried out on these red flags?

- ☒ Yes  
☐ No

Do you want to add any documents relating to this page? **Optional**

- ☐ Yes

No more documents are required.

- ☐ No

Cancel

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TASK PROGRESS:

ENTER NAME HERE IF KNOWN

- ✓ Reliance Partner
- ✓ Reliance Information
- ✓ Risk Assessment
- ✓ **Final Decision**

## Enter name here if known

### Final Decision

Confirming that you have carried out CDD measures in respect of a customer is a serious matter. Confirmation must not be given on the basis of a generalised assumption that the reliance partner's systems have operated effectively. There has to be awareness that the appropriate steps have in fact been taken in respect of the customer that is the subject of the confirmation.

BAMF Guidance Para 5.204

You retain responsibility for any failure to comply with a requirement of the Regulations, as this responsibility cannot be delegated. You also still has to carry out your own customer risk assessment.

From BAMF Guidance Para 5.192

### Accepted

Do you approve this person?

- ☒ Yes
- ☐ No

Cancel

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Complete

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## Et Voilà!

*Have questions?*

*Visit our Knowledge Base 1.0:*

*<https://artaml.com/knowledge-base-1-0/>*

*Browse our FAQs:*

*[https://www.instagram.com/artaml\\_/](https://www.instagram.com/artaml_/)*