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How-to Guide:

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

(based on UK guidance)

Introduction



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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- Dashboard
- Search

TASK PROGRESS:

EXAMPLE BUSINESS

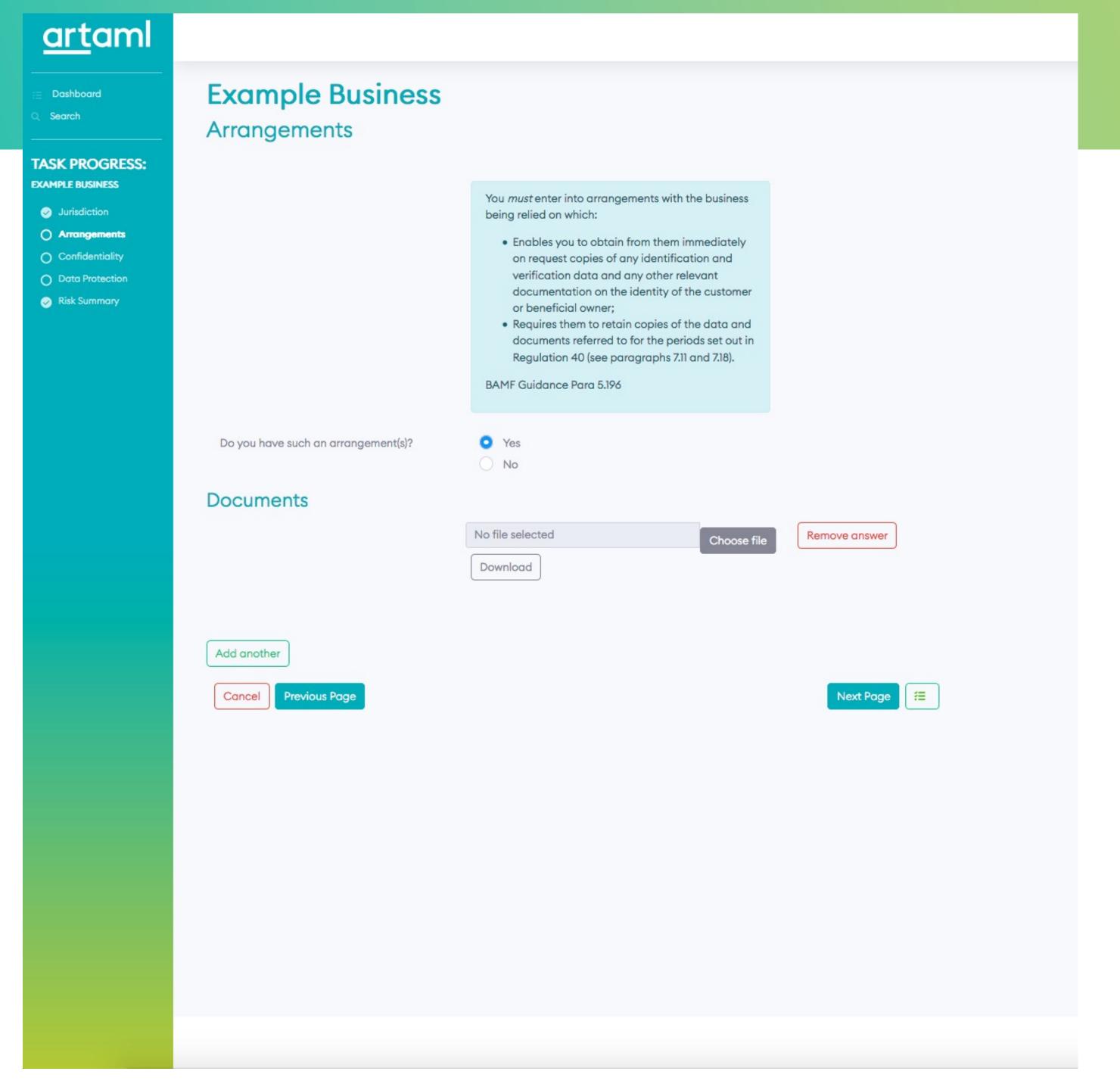
- Jurisdiction
- Arrangem
- Confidentiality
- O Data Protection
- Risk Summary

Example Business Jurisdiction

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 Art Market Participants	
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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	
YesNo	
After June 10 2021, AMPs must be registered with HMRC	
2345678	•
© If the business is not registered (prior to June 10 2021), explain the steps they have taken so far.	-//
	for money laundering supervision on this page: https://www.gov.uk/guidance/money-laundering-regulations-supervised-business-register Yes No No After June 10 2021, AMPs must be registered with HMRC 2345678

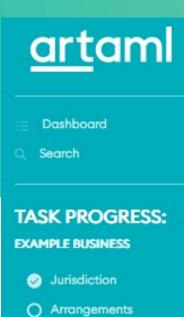


Agreement with Reliance Partner





Confidentiality



Confidentiality

O 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

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Cancel





Data Protection

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- Dashboard

TASK PROGRESS: EXAMPLE BUSINESS

- Jurisdiction
- O 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.

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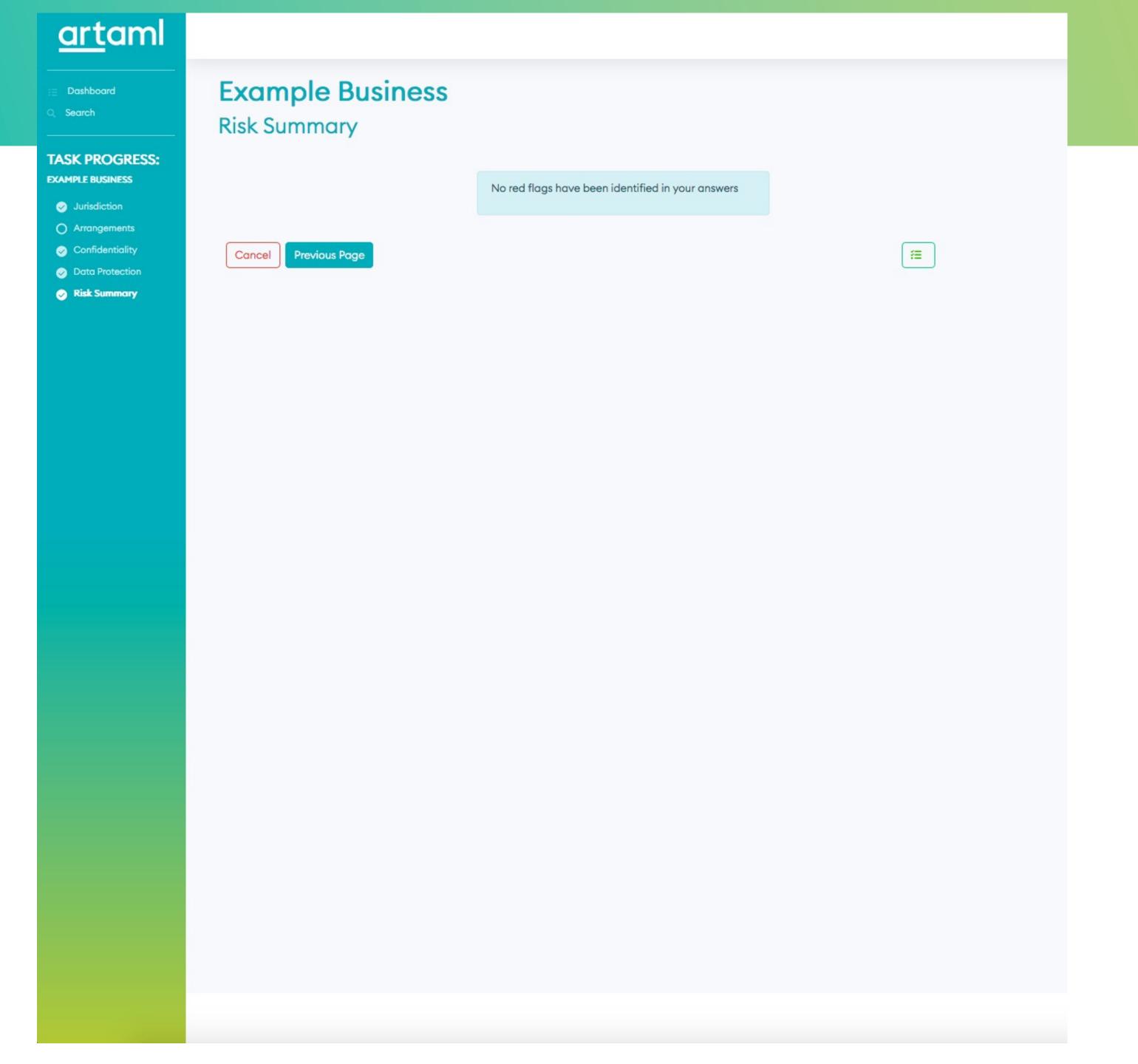
Cancel

Yes

O No



Risk Summary





Final Decision: Reliance Partner

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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?

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Cancel



O Yes

O No

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



Use Reliance for that UBO

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TASK PROGRESS:

PRIVATE INDIVIDUAL

Manual or Remote

Private Individual Manual or Remote

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.

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

- 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.

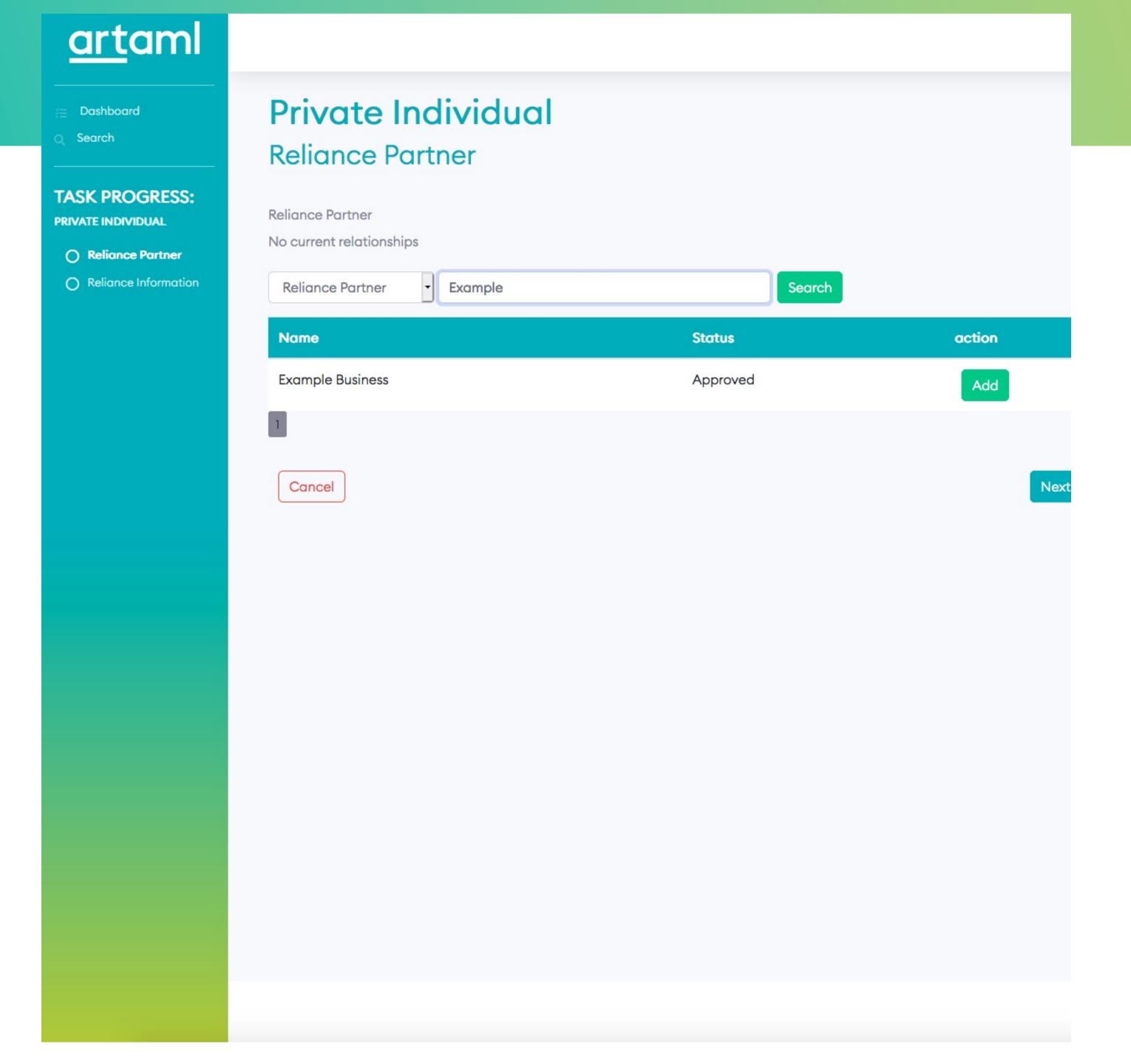
In order to use this, you must first set up a Reliance Partner. (Reliance Partners can only be set up by Risk Manager users, as there are significant risks and liabilities that arise from using reliance).

Reliance can only be used by Risk Managers.





Select the Reliance Partner

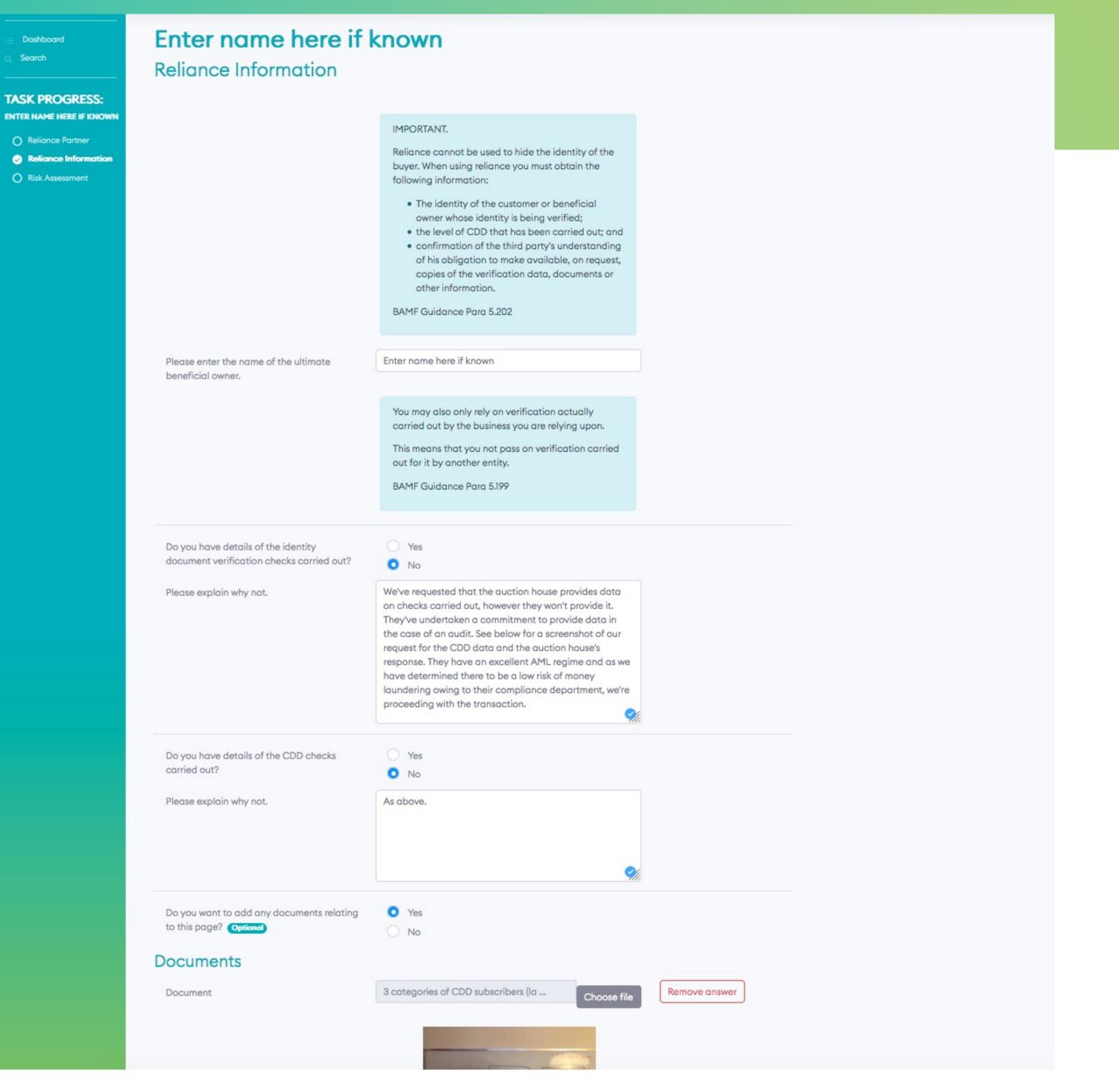




UBO + AML checks info

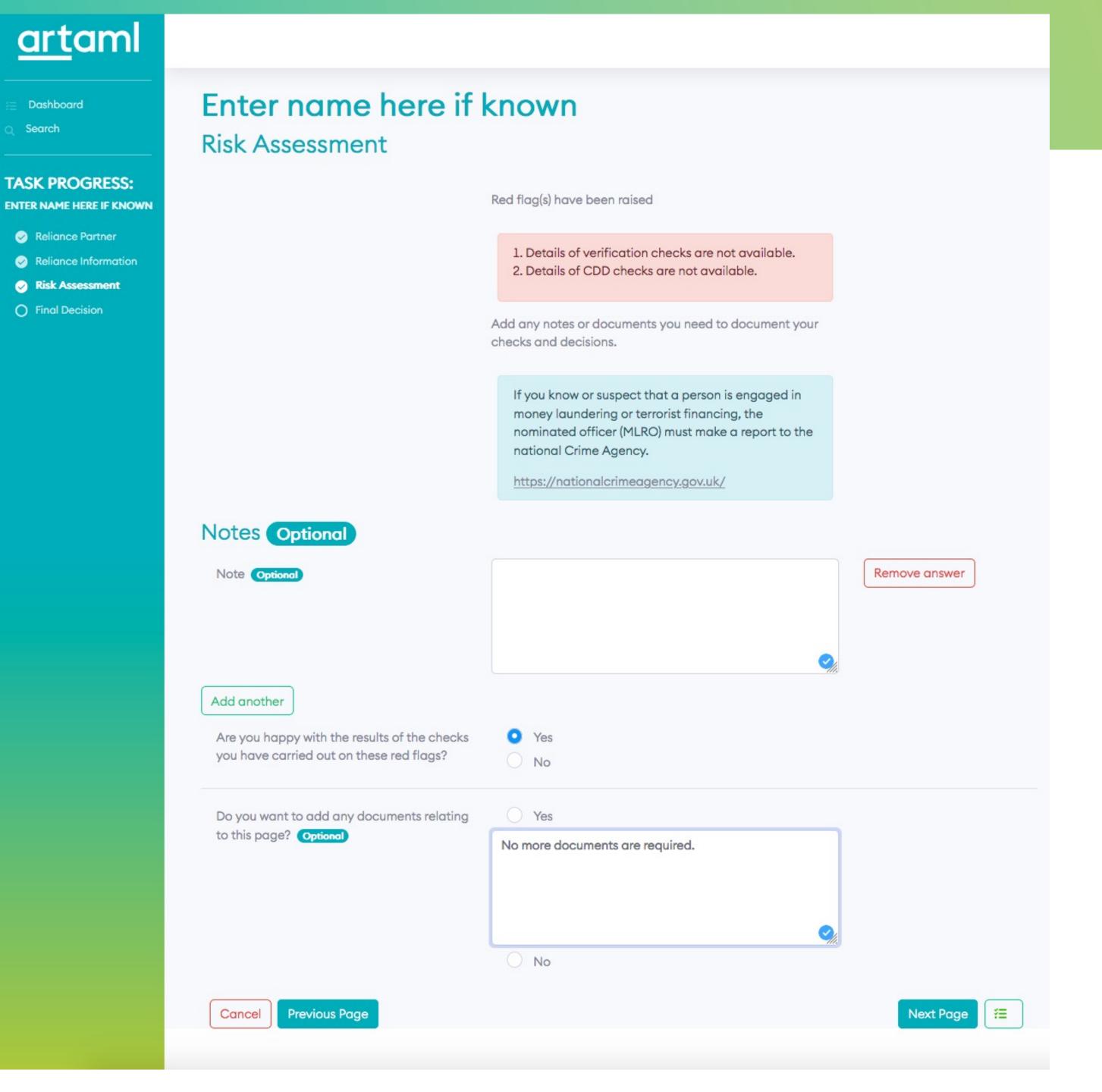
O Reliance Partner

O Risk Assessment





Address red flags





Final Decision: **Approving UBO**



- Dashboard
- Search

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?





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Complete



orton!

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_/