AML policies, controls and procedures

Marlowe & Finch Fine Art Ltd
Money Laundering Regulations 2017, regulations 19 and 19A · art market participant
Version: 2026-11-03.1+06118c88e168

About these policies

These are the policies, controls and procedures Marlowe & Finch Fine Art Ltd uses to manage the risks identified in its firm-wide risk assessment (reg 19(1)). Where a control is not yet in place, it says so and lists the action at the end.

The business told us it already has documented AML policies, controls and procedures. Once approved, these replace those earlier ones.

- The business must establish and maintain policies, controls and procedures to manage the risks identified in its risk assessment, review and update them regularly, and keep a written record of them, of any changes, and of how they were communicated within the business (reg 19(1)).
- They must be proportionate to the size and nature of the business and approved by its senior management (reg 19(2)), and must cover risk management, internal controls, customer due diligence, reliance and record keeping, and the monitoring and internal communication of the policies (reg 19(3)).
- They must provide for the identification and scrutiny of any transaction that is unusually complex or unusually large given the nature of the transaction, any unusual pattern of transactions, and any transaction with no apparent economic or legal purpose (reg 19(4)(a); SI 2026/621).
- They must specify additional measures, where appropriate, to prevent the use for money laundering or terrorist financing of products and transactions which might favour anonymity (reg 19(4)(b)), and the assessment and, if necessary, mitigation of the risks of a new product, business practice or technology before and during its adoption (reg 19(4)(c)).
- For proliferation financing the business must likewise establish, review, record and have approved policies, controls and procedures, covering risk management, internal controls and the monitoring and internal communication of the policies (reg 19A(1); reg 19A(3)), and providing for the scrutiny of unusual transactions, extra measures where anonymity may be favoured, and the assessment of new products, practices and technology (reg 19A(4)). Reg 19A does not list customer due diligence, reliance or record keeping, and has no internal-reporting requirement like reg 19(4)(d) (reg 19A(3); reg 19A(4)).

1. Status, approval and review of these policies

AML policies, controls and procedures: The business has documented AML policies, controls and procedures. Last reviewed or completed: 20 January 2026.

> *"The names of the senior managers approving the PCPs should be recorded, along with the date they were approved."*
> — HMRC AMLG1900, 9.1

> *"Your PCPs are reviewed at least annually, even if no changes seem necessary."*
> — HMRC AMLG1900, 9.1

SAMPLE
Fictitious business, for illustration

Sample pack for Marlowe & Finch Fine Art Ltd, a fictitious business. Generated 3 November 2026 from the ratified ArtGuard wording.

2. When these policies apply

- Customer due diligence is due on any occasional trade in a work of art worth £10,000 or more, whether in a single operation or in several operations which appear to be linked (reg 27(7C); SI 2026/621 reg 14(g),(h)).

The business's overall rating in its firm-wide risk assessment is Medium. The extent of the measures below follows that assessment and the risk in each case (reg 28(12)).

One high-risk factor does not by itself make a case high risk; where the business decides a case is not high risk despite a factor, it records why (reg 33(7); HMRC AMLG1800).

3. Customer due diligence

- The business must apply customer due diligence when it establishes a business relationship, when it suspects money laundering or terrorist financing, and when it doubts information obtained earlier for identification or verification (reg 27(1)).
- It must also apply it to any occasional trade in a work of art worth £10,000 or more, whether in a single operation or in several operations which appear to be linked; and a freeport operator to storage worth £10,000 or more for a person or a series of linked persons (reg 27(7C); SI 2026/621 reg 14(g),(h)).
- Customer due diligence means identifying the customer, verifying the customer's identity, and assessing the purpose and intended nature of the business relationship or occasional transaction (reg 28(2)); for a body corporate, obtaining and verifying its name, registration number and registered office (reg 28(3)); taking reasonable measures to understand the ownership and control structure of a legal person or trust (reg 28(3A)); and identifying any beneficial owner and taking reasonable measures to verify who they are (reg 28(4)).
- Where a person acts on behalf of the customer, the business must verify that the person is authorised to act, identify the person, and verify the person's identity from a reliable source independent of both the person and the customer (reg 28(10)).
- Verification must be completed before the business relationship is established or the transaction is carried out, save where the Regulations allow it during the relationship (reg 30(2),(3)).
- The extent of the measures must reflect the risk assessment and the risk in the particular case (reg 28(12)), and the business must be able to show HMRC that they are appropriate (reg 28(16)).
- If it cannot apply customer due diligence, the business must not carry out the transaction or establish the relationship, must end any existing relationship, and must consider whether a report is required (reg 31(1)).
- Simplified due diligence is allowed only where the business has determined that the relationship or transaction presents a low degree of risk (reg 37(1)); it still applies regs 28, 29 and 30A, adjusting only the extent, timing or type of the measures (reg 37(2)), and stops when the conditions for simplified due diligence no longer hold (reg 37(8)).

Customer due diligence at the £10,000 threshold: The business applies customer due diligence to every trade in a work of art worth £10,000 or more, including linked transactions, and to every business relationship (reg 27(7C); SI 2026/621 reg 14(g),(h)).

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Identity evidence and the business's decision

Where the business uses ArtGuard, the customer photographs a supported ID document and takes a live selfie on their own phone; ArtGuard reads the document, matches the selfie to its photograph, screens the name against the UK, OFAC and UN sanctions lists and a worldwide PEP roster, and returns one dated record with the list versions on it.

The verification decision stays the business's, with the evidence in front of it: any service, product or report a third party provides must be examined by the business, which decides what further action it needs (HMRC AMLG3100).

ArtGuard is not on the DVS register, so the business treats its record as evidence alongside its own verification or a registered provider's check (DVS register download, 26 Oct 2026; HM Treasury and DSIT, digital identities guidance, 26 Feb 2026).

The business remains liable for any failure to apply customer due diligence when it uses a digital identity service or any other third party (HM Treasury and DSIT, digital identities guidance, 26 Feb 2026; HMRC AMLG3100).

A digital identity service certified against the trust framework and on the DVS register is a reliable and independent source on which the business can verify an individual customer under reg 28 (HM Treasury and DSIT, digital identities guidance, 26 Feb 2026; HMRC AMLG11400; reg 28(18),(19)).

For an online or remote sale where the business cannot inspect the original documents in the customer's presence and has no registered digital identity service, HMRC recommends a video call (HMRC AMLG3100).

> *"Regulated entities will also remain ultimately liable for any failures to apply customer due diligence measures appropriately when using digital identity services."*
>
> — HM Treasury and DSIT, digital identities guidance, 26 Feb 2026, 1. Purpose of guidance

> *"Any service, product or report the third-party provides must be examined by you, and you need to decide what, if any, further action you need to take to ensure you meet your obligations under the regulations."*
>
> — HMRC AMLG3100, Use of third-party identity providers or compliance companies

SAMPLE
fictitious business, for illustration

4. Enhanced due diligence

- The business must apply enhanced due diligence and enhanced ongoing monitoring in the cases listed in reg 33(1) (reg 33(1)), including where its own risk assessment identifies a high risk (reg 33(1)(a)), any business relationship or relevant transaction with a person established in a FATF call for action country (reg 33(1)(b); SI 2026/621 reg 19), a PEP or a PEP's family member or known close associate (reg 33(1)(d)), false or stolen identification where the business proposes to continue dealing with the customer (reg 33(1)(e)), and any transaction that is unusually complex or unusually large given the nature of the transaction, an unusual pattern of transactions, or a transaction with no apparent economic or legal purpose (reg 33(1)(f); SI 2026/621 reg 19), and any other case which by its nature can present a higher risk (reg 33(1)(g)).
- For a person established in a FATF call for action country the measures must include additional information on the customer, its beneficial owner and the relationship, the source of funds and source of wealth of the customer and its beneficial owner, the reasons for the transactions, senior management approval, and enhanced monitoring (reg 33(3A)).

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- For a transaction under reg 33(1)(f) (unusually complex or unusually large, an unusual pattern, or no apparent economic or legal purpose) the measures must include examining its background and purpose as far as reasonably possible and increasing the degree and nature of the monitoring of the relationship (reg 33(1)(f); reg 33(4)).
- In judging whether a case is high risk, the business must take account of the risk factors in reg 33(6), including a customer who is a third country national applying for residence rights or citizenship in exchange for investment (reg 33(6)(a)(viii)), a transaction related to cultural artefacts or items of historical, cultural or religious significance (reg 33(6)(b)(vii)), non-face-to-face dealing without safeguards (reg 33(6)(b)(iii)), and the geographical factors (reg 33(6)(c)).
- One or more risk factors may not always indicate a high risk (reg 33(7)).

Enhanced due diligence triggers: The business's procedures name every case in which it applies enhanced due diligence.

The business also applies enhanced due diligence when it sees any of these:

- Delivery in an unusual manner, or to an address that is not the customer's own (HMRC AMLG3100)
- A new customer with little or no trading history and no trade references (HMRC AMLG3100)
- A sale unusually large for the customer, or outside their normal pattern (HMRC AMLG3100)

Source of funds and source of wealth: The business establishes source of funds and source of wealth where the Regulations require it, and records the evidence.

Enhanced due diligence decisions and reasons: To be introduced (see Actions).

> *"If any of the above measures are not undertaken when EDD is required, HMRC would require an explanation as to why these measures were not followed."*
> — HMRC AMLG11630, 16.3

5. Countries, sanctions and politically exposed persons

Country checks (flags with sources): The business checks where each customer, and each party to a relevant transaction, is established against the lists it names, and records any flag with its source.

This pack's own rule: geography is recorded as flags. A flag names the list a country is on and the list's source; no country is given a score.

Where the business records a customer's nationality or the country of an address, the pack treats it as a sign of where the customer may be established, not as proof. An individual is established in a country by being resident there, not merely by having been born there, and a company by being incorporated or having its principal place of business there (reg 33(3)).

A customer applying for residence or citizenship in exchange for investment is a risk factor (reg 33(6)(a)(viii)); HMRC expects a customer with a passport from a country that offers CBI to be treated as higher risk where the place of birth is in a different jurisdiction from the passport's (HMRC AMLG3100).

> *"HMRC expects AMPs to treat any customer who has a passport from a country that offers CBI as a higher risk where the place of birth is shown as being in a different jurisdiction to that of the issued passport."*
> — HMRC AMLG3100, Customers from jurisdictions that offer Citizenship by Investment (CBI)

SAMPLE — fictitious business, for illustration

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Sanctions screening: The business checks customers, their beneficial owners and the other parties against the UK Sanctions List before each sale, and again when the list changes.

- The business must have risk-management systems to determine whether a customer or its beneficial owner is a PEP, or a PEP's family member or known close associate (reg 35(1)).
- For a domestic PEP the starting point is a lower level of risk than for a non-domestic PEP (reg 35(3A)).
- A business relationship with a PEP needs senior management approval, adequate measures to establish the source of wealth and source of funds, and enhanced ongoing monitoring (reg 35(5)); these continue for at least 12 months after the person leaves public office (reg 35(9)).

PEP screening: The business determines whether each customer and beneficial owner is a PEP, or a PEP's family member or known close associate, and records the check.

6. Procedures by kind of customer

These steps apply to the kinds of customer the business told us it deals with.

Private buyers and sellers

The business sells works to, or buys works from, private individuals at £10,000 or more (reg 27(7C); SI 2026/621 reg 14(g),(h)).

Extra checks

- Obtain the customer's full name, date of birth and residential address, and verify them from identity evidence or a registered digital identity service before the sale (reg 28(2); reg 30(2),(3); HMRC AMLG11400).
- Ask and record the purpose of the purchase or sale (reg 28(2)).
- Check whether the customer is a PEP, or a PEP's family member or known close associate (reg 35(1)), and screen the name against the UK Sanctions List (HMRC AMLG3100).
- Check where the customer is resident, and record any geography flag with its source: a customer resident in a geographical area of high risk is a risk factor (reg 33(3); reg 33(6)(a)(ii); reg 33(6)(c)).
- HMRC expects a customer whose passport is from a country that offers citizenship by investment, and shows a place of birth in a different jurisdiction, to be treated as higher risk; do so (HMRC AMLG3100).
- If identity cannot be verified, do not go ahead with the sale (reg 31(1); HMRC AMLG11400); if that leaves a suspicion, make an internal report to the nominated officer (reg 19(4)(d)).

Red flags (any one of these calls for a closer look and, where it leaves a suspicion, a report)

- A purchase that is unusually large for the customer or out of their normal pattern (HMRC AMLG3100).
- A request to deliver the work in an unusual manner or to an address that is not the customer's own (HMRC AMLG3100).
- Payment from someone other than the customer, or from an unknown or unassociated third party (reg 33(6)(b)(iv)).
- Reluctance to give identification, or to name a person the customer represents (HMRC, Risk assess your business).

SAMPLE fictitious business, for illustration

Sample pack for Marlowe & Finch Fine Art Ltd, a fictitious business. Generated 3 November 2026 from the ratified ArtGuard wording.

> *"If you cannot verify the customer's identity you must not proceed with the occasional transaction or establish a business relationship with them."*
> — HMRC AMLG11400, 14.1

> *"Transactions that are unusually large for the customer, transaction type, purpose or your business may indicate increased risk."*
> — HMRC AMLG3100, Unusually large transactions

Trade buyers and sellers (other dealers, galleries and auction houses)

The business buys from or sells to other art businesses at £10,000 or more (reg 27(7C); SI 2026/621 reg 14(g),(h)).

Extra checks

- Check on GOV.UK that the other business is registered with HMRC for AML supervision; if it is not, do not continue dealing with it and report it to HMRC (HMRC AMLG3100).
- For a company, obtain and verify its name, registration number and registered office, and identify its beneficial owners (reg 28(3); reg 28(4)).
- Where the other business is buying or selling for its own customer, find out who that customer is (reg 28(4); HMRC AMLG3100).

Red flags (any one of these calls for a closer look and, where it leaves a suspicion, a report)

- A new trade customer with little or no trading history and no trade references (HMRC AMLG3100).
- A request to buy or sell in cash for an off-the-record sale (HMRC AMLG3100).
- A sale or purchase that does not appear to be normal business practice or makes no economic sense (HMRC AMLG3100).

> *"if you are dealing with another AMP, you should check on GOV.UK whether the business is registered with HMRC for AML supervision."*
> — HMRC AMLG3100, Dealing with an unregistered AMP

> *"A new customer with little or no trading history and no trade references."*
> — HMRC AMLG3100, Risks common to all AMPs

Companies, trusts and other structures

The business deals with customers that are companies, trusts, foundations or similar arrangements.

Extra checks

- Obtain and verify the company's name, registration number and registered office and, if different, its principal place of business, and take reasonable measures to determine and verify the law it is subject to, its constitution, the names of its directors and the senior persons responsible for its operations (reg 28(3)).
- For a trust, foundation or other legal arrangement, HMRC says that if the customer is not an individual the business must obtain and verify identity information that is relevant to that entity (HMRC AMLG11400).

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- Understand the ownership and control structure (reg 28(3A)), identify each beneficial owner and take reasonable measures to verify who they are (reg 28(4)), without relying only on the Companies House register (reg 28(9)).
- Treat a vehicle for holding personal assets, nominee shareholders or bearer shares, and an unusual or excessively complex structure as risk factors (reg 33(6)(a)(iii); reg 33(6)(a)(vi)).
- For a company that is not based in the UK, obtain an excerpt of the register it is on as proof of its registration; this requirement only relates to business relationships (HMRC AMLG11400).

Red flags (any one of these calls for a closer look and, where it leaves a suspicion, a report)

- Unclear company structures, trusts or intermediary jurisdictions (HMRC AMLG3100).
- Complexity that appears unnecessary or disproportionate to the stated purpose (HMRC AMLG3100).
- A beneficial owner who cannot be identified (reg 28(4)).

> *"Use of unclear company structures trusts, and intermediary jurisdictions would indicate a higher risk in a transaction or series of transactions."*
>
> — HMRC AMLG3100, Lack of clarity or transparency with the customer

> *"AMPs should give enhanced scrutiny to transactions where complexity appears unnecessary or disproportionate to the stated purpose."*
>
> — HMRC AMLG3100, Unusually complex transactions or customers

Auction consignors

The business sells works at auction for consignors.

Extra checks

- Before accepting a consignment that may sell for £10,000 or more, identify the consignor and anyone acting for them, and assess the purpose of the sale (reg 28(2); reg 28(10); reg 27(7C); SI 2026/621 reg 14(g),(h)).
- Treat lots bought together by one buyer as one transaction when their total reaches £10,000 (reg 27(7C); SI 2026/621 reg 14(g),(h); HMRC AMLG3100).
- Check where the consignor and the buyer are established, and screen both against the UK Sanctions List (reg 33(1)(b); HMRC AMLG3100).
- Treat a work of cultural, historical or religious significance as a risk factor (reg 33(6)(b)(vii)).

Red flags (any one of these calls for a closer look and, where it leaves a suspicion, a report)

- A price far above or below what the work would be expected to fetch (NRA 2025, art market participants).
- Several works below £10,000 each sold together, or separate invoices for works bought at the same time (HMRC AMLG3100; SI 2026/621 reg 14(g),(h)).
- A buyer bidding through an intermediary who will not name them (NRA 2025, art market participants).

> *"or when several works of art each valued below £10,000 are sold at the same time together and thus the total sale price is over the AMP threshold."*
>
> — HMRC AMLG3100, Art and linked transactions

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fictitious business, for illustration

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> *"It would not be appropriate to issue separate invoices for each piece of artwork and claim they were separate sales."*
>
> — HMRC AMLG3100, Art and linked transactions

Online and remote sales

The business sells works online, by phone or otherwise without meeting the customer.

Extra checks

- Treat a non-face-to-face sale without safeguards, such as an electronic identification process meeting reg 28(19), as a risk factor (reg 33(6)(b)(iii)).
- Use a digital identity service on the DVS register, or inspect the original documents with the customer present; failing both, HMRC recommends a video call (HM Treasury and DSIT, digital identities guidance, 26 Feb 2026; HMRC AMLG3100).
- Where enhanced due diligence applies, take payment through a bank account in the name of the customer (HMRC AMLG11600).

Red flags (any one of these calls for a closer look and, where it leaves a suspicion, a report)

- A customer who will not join a video call or produce original documents (our inference from HMRC's recommendation of a video call for remote sales) (HMRC AMLG3100).
- A delivery address that is not the customer's own (HMRC AMLG3100).
- Payment in cryptoassets (NRA 2025, art market participants).

> *"Transactions made online, over the phone or via an intermediary reduce this exposure to the customer, decrease effective identification, and increase vulnerability to money laundering and terrorist financing."*
>
> — HMRC AMLG3100, Risks common to all AMPs: Remote sales

> *"HMRC recommends that you conduct a video call to ensure the person you are dealing with is genuine and is the person in the identity documents."*
>
> — HMRC AMLG3100, Online sales verification

Freeport storage: Not applicable: the business does not operate a freeport (reg 14(1)(d)).

Intermediaries and undisclosed principals: Not applicable: the business does not buy or sell through intermediaries and does not act as one.

7. Ongoing monitoring

- The business must monitor each business relationship for as long as it lasts, scrutinising transactions (including, where necessary, the source of funds) for consistency with what it knows of the customer, and keeping due diligence documents up to date (reg 28(11)).
- It must apply customer due diligence again at other appropriate times on a risk-based approach, and when it becomes aware that an existing customer's relevant circumstances have changed (reg 27(8); reg 27(9)).

However often the business reviews, the extent of monitoring must reflect the risk in each case (reg 28(12)).

The business uses its ongoing-monitoring checklist for each review.

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8. Reliance and record keeping

- The business may rely on a person the Regulations allow (another business subject to them, or an equivalent supervised business abroad) to apply customer due diligence, but remains liable for any failure to apply it (reg 39(1)).
- It must immediately obtain the information the due diligence produced, and enter into arrangements with the other business to obtain copies of the identification and verification data immediately on request and requiring it to keep them for the reg 40 period (reg 39(2)).
- It may not rely on a third party established in a FATF call for action country, except a qualifying branch or majority-owned subsidiary under reg 39(5) (reg 39(4); reg 39(5); SI 2026/621).

Reliance on another business's due diligence: Not applicable: the business does not rely on another business's customer due diligence.

- The business must keep a copy of the documents and information obtained for customer due diligence, and records sufficient to reconstruct each transaction subject to due diligence or monitoring (reg 40(2)), for five years from the end of the business relationship or the completion of the occasional transaction (reg 40(3)).
- After that period it must delete the personal data obtained for the Regulations unless an exception applies (reg 40(5)), and it may use that data only to prevent money laundering, terrorist financing or proliferation financing, unless reg 41(3) allows another use (reg 41(1); reg 41(3)).

Record keeping: The business keeps due diligence and transaction records for five years after each relationship ends or occasional transaction completes.

9. Nominated officer, internal reporting and staff

- An individual in the business must be appointed as nominated officer (reg 21(3)), and the business must tell HMRC within 14 days who it has appointed as nominated officer and, where it has one, as the reg 21(1)(a) compliance officer, and of any later change (reg 21(4)).
- The nominated officer must consider each disclosure made to them in the light of the information available to the business and decide whether it gives rise to knowledge or suspicion, or reasonable grounds for either, of money laundering or terrorist financing (reg 21(5)).
- Where appropriate to its size and nature, the business must appoint a board member or senior manager as the officer responsible for compliance (reg 21(1)(a)), screen relevant employees before and during their appointment (reg 21(1)(b)), and establish an independent audit function (reg 21(1)(c)).
- Paragraphs (1) and (3) of reg 21 (the compliance officer, employee screening and independent audit, and the nominated officer) do not apply where the business is an individual who neither employs nor acts in association with any other person (reg 21(6)).
- The business must have systems to respond fully and rapidly to enquiries from accredited financial investigators, the police and other law enforcement officers about whether it has had a business relationship with a person in the past five years, and its nature (reg 21(8)).

Nominated officer and internal reporting: The business has a nominated officer and a written process for staff to report suspicion to them.

Make an internal report to the nominated officer (reg 19(4)(d)).

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Records of suspicious activity reports: The business keeps a copy of each SAR it submits, and a record of each potential suspicious activity, how it was assessed and why a SAR was or was not submitted.

Screening of relevant employees: The business screens each relevant employee's skills, knowledge and expertise, and their conduct and integrity, before appointment and during it.

- An art market participant must not carry on that business unless it is included in HMRC's register or has applied and the application is not yet determined (reg 56(6); HMRC AMLG3100).
- No person may be a beneficial owner, officer or manager of an art market participant, or act as one as a sole practitioner, unless the supervisory authority has approved them (reg 26(1),(2)(e)).
- If the correct annual fee is not paid, HMRC may cancel the registration (HMRC, Money laundering supervision for art market participants).

Approval of beneficial owners, officers and managers: Every beneficial owner, officer and manager of the business, or the sole practitioner, is approved by HMRC.

10. Training

- The business must take appropriate measures so that its relevant employees, and agents doing the same kind of work, are made aware of the law on money laundering, terrorist financing and proliferation financing and of the data protection requirements, and are regularly trained to recognise and deal with transactions and situations that may be related to them (reg 24(1)(a)).
- It must keep a written record of those measures and of the training given (reg 24(1)(b)).
- HMRC expects training to be delivered at least annually, and more often in a higher risk business (HMRC AMLG11030).

AML training for relevant employees: The business gives AML training to all relevant employees and keeps a record of it. Last reviewed or completed: 12 May 2026.

11. Controls and actions

Control	Position today
AML policies, controls and procedures	The business has documented AML policies, controls and procedures. Last reviewed or completed: 20 January 2026.
Customer due diligence at the £10,000 threshold	The business applies customer due diligence to every trade in a work of art worth £10,000 or more, including linked transactions, and to every business relationship (reg 27(7C); SI 2026/621 reg 14(g),(h)).
Enhanced due diligence triggers	The business's procedures name every case in which it applies enhanced due diligence.
Country checks (flags with sources)	The business checks where each customer, and each party to a relevant transaction, is established against the lists it names, and records any flag with its source.
Source of funds and source of wealth	The business establishes source of funds and source of wealth where the Regulations require it, and records the evidence.
Sanctions screening	The business checks customers, their beneficial owners and the other parties against the UK Sanctions List before each sale, and again when the list changes.

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Control	Position today
PEP screening	The business determines whether each customer and beneficial owner is a PEP, or a PEP's family member or known close associate, and records the check.
Record keeping	The business keeps due diligence and transaction records for five years after each relationship ends or occasional transaction completes.
Freeport storage	Not applicable: the business does not operate a freeport (reg 14(1)(d)).
Intermediaries and undisclosed principals	Not applicable: the business does not buy or sell through intermediaries and does not act as one.
Reliance on another business's due diligence	Not applicable: the business does not rely on another business's customer due diligence.
Screening of relevant employees	The business screens each relevant employee's skills, knowledge and expertise, and their conduct and integrity, before appointment and during it.
Approval of beneficial owners, officers and managers	Every beneficial owner, officer and manager of the business, or the sole practitioner, is approved by HMRC.
Enhanced due diligence decisions and reasons	To be introduced (see Actions).
AML policies, controls and procedures	The business has documented AML policies, controls and procedures. Last reviewed or completed: 20 January 2026.

1. **Enhanced due diligence decisions and reasons**: to be introduced. Action: Record each case of enhanced due diligence and the measures taken; where a source of funds or source of wealth measure was not taken, record an evidence-based explanation of why (HMRC AMLG11630).
2. **Screening not yet made**: to be introduced. Action: Check every current customer, and anyone they act for, against the UK Sanctions List (HMRC AMLG3100), determine whether each is a PEP (reg 35(1)), check where each is established against the current FATF call for action list (reg 33(1)(b)), and record the results.

- In deciding whether a person has committed an offence under reg 86(1), a court must decide whether the person followed relevant guidance issued by the FCA, or issued by another supervisory authority or appropriate body and approved by the Treasury (reg 86(2)).
- HMRC's art market sector guidance is awaiting ministerial sign off; until it is published HMRC tells art market participants to follow Parts 1 and 3 of its guidance with the British Art Market Federation guidance, and, where any of the 2026 changes comes into play and the two differ, to follow Part 1, which reflects those changes (HMRC AMLG2100; British Art Market Federation guidance (as HMRC AMLG2100 refers to it)).

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12. Approval

Approved by	Not yet signed
Role	To be approved by senior management (reg 19(2))
Signature	
Date	

Sources

- MLR 2017, regulation 19 (policies, controls and procedures), revised text in force 30 June 2026. Cited: reg 19(1); reg 19(2); reg 19(3); reg 19(4)(a); reg 19(4)(b); reg 19(4)(c); reg 19(4)(d).
- The Money Laundering and Terrorist Financing (Amendment) Regulations 2026 (SI 2026/621), made 9 June 2026. Cited: SI 2026/621; SI 2026/621 reg 14(g),(h); SI 2026/621 reg 19.
- MLR 2017, regulation 19A (policies, controls and procedures: proliferation financing), revised text in force 30 June 2026. Cited: reg 19A(1); reg 19A(3); reg 19A(4).
- MLR 2017, regulation 27 (customer due diligence), revised text in force 30 June 2026. Cited: reg 27(7C); reg 27(1); reg 27(8); reg 27(9).
- MLR 2017, regulation 28 (customer due diligence measures), revised text in force 30 June 2026. Cited: reg 28(12); reg 28(2); reg 28(3); reg 28(3A); reg 28(4); reg 28(10); reg 28(16); reg 28(18),(19); reg 28(9); reg 28(11).
- MLR 2017, regulation 33 (enhanced customer due diligence), revised text in force 30 June 2026. Cited: reg 33(7); reg 33(1); reg 33(1)(a); reg 33(1)(b); reg 33(1)(d); reg 33(1)(e); reg 33(1)(f); reg 33(1)(g); reg 33(3A); reg 33(4); reg 33(6)(a)(viii); reg 33(6)(b)(vii); reg 33(6)(b)(iii); reg 33(6)(c); reg 33(3); reg 33(6)(a)(ii); reg 33(6)(b)(iv); reg 33(6)(a)(iii); reg 33(6)(a)(vi).
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- MLR 2017, regulation 30 (timing of verification), revised text in force 30 June 2026. Cited: reg 30(2),(3).
- MLR 2017, regulation 31 (requirement to cease transactions), revised text in force 30 June 2026. Cited: reg 31(1).
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- HMRC, AMLG11600 (enhanced due diligence), 8 July 2026. Cited: HMRC AMLG11600.
- MLR 2017 (SI 2017/692), regulation 14 (art market participants), revised text in force 30 June 2026. Cited: reg 14(1)(d).
- MLR 2017, regulation 39 (reliance), revised text in force 30 June 2026. Cited: reg 39(1); reg 39(2); reg 39(4); reg 39(5).
- MLR 2017, regulation 40 (record-keeping), revised text in force 30 June 2026. Cited: reg 40(2); reg 40(3); reg 40(5).
- MLR 2017, regulation 41 (data protection), revised text in force 30 June 2026. Cited: reg 41(1); reg 41(3).

SAMPLE fictitious business, illustration

Sample pack for Marlowe & Finch Fine Art Ltd, a fictitious business. Generated 3 November 2026 from the ratified ArtGuard wording.

- MLR 2017, regulation 21 (internal controls), revised text in force 30 June 2026. Cited: reg 21(3); reg 21(4); reg 21(5); reg 21(1)(a); reg 21(1)(b); reg 21(1)(c); reg 21(6); reg 21(8).
- MLR 2017, regulation 56 (requirement to be registered), revised text in force 30 June 2026. Cited: reg 56(6).
- MLR 2017, regulation 26 (approval of beneficial owners, officers and managers), revised text in force 30 June 2026. Cited: reg 26(1),(2)(e).
- HMRC, Money laundering supervision for art market participants (GOV.UK guidance, updated 6 August 2024). Cited: HMRC, Money laundering supervision for art market participants.
- MLR 2017, regulation 24 (training), revised text in force 30 June 2026. Cited: reg 24(1)(a); reg 24(1)(b).
- HMRC, AMLG11030 (training), updated 16 July 2026. Cited: HMRC AMLG11030.
- HMRC, AMLG11630 (source of funds and source of wealth), 8 July 2026. Cited: HMRC AMLG11630.
- MLR 2017, regulation 86 (criminal offence), revised text in force 30 June 2026. Cited: reg 86(2).
- HMRC, AMLG2100 (art market participant guidance: sector guidance awaiting ministerial sign off), 8 July 2026. Cited: HMRC AMLG2100; British Art Market Federation guidance (as HMRC AMLG2100 refers to it).
- HMRC, AMLG1900 (policies, controls and procedures), 8 July 2026. Cited: HMRC AMLG1900.

SAMPLE — fictitious business, for illustration

Sample pack for Marlowe & Finch Fine Art Ltd, a fictitious business. Generated 3 November 2026 from the ratified ArtGuard wording.