



**Information for non-AIPP members:
Overseas companies operating estate agency
services in the UK - NEW compliance
requirements by HMRC & National Trading
Standards**

7th October 2016

As part of occasional all-industry briefings by AIPP, this information is supplied free of charge in the best interests of the wider UK-based trade operating in the international property sector. AIPP members have already received this information separately.

EXECUTIVE SUMMARY

Redress Schemes: National Trading Standards Estate Agency Team (NTSEAT)

NTSEAT has recently issued a guidance note to clarify the position as to who needs to be a member of an approved redress scheme.

All overseas agents dealing in residential property and carrying out estate agency work in the UK must be a member of one of three Government-approved redress schemes.

Non registration with an approved redress scheme risks penalties from the NTSEAT including a penalty charge of £1,000 (which can be repeated), a formal warning and a prohibition order against an individual or business.

All AIPP members are automatically enrolled into the leading UK Property Ombudsman scheme, TPO, as part of their AIPP membership (at no additional cost) and at no-cost to you or the public for each time the TPO service is used.

The NTSEAT guidance can be found in the 'advice for estate agents' section of their website and [here](#).

Further details found in 'REDRESS SCHEMES & NTSEAT' section below.

HMRC: UK Financial Compliance

HMRC and HM Treasury are updating their Frozen Asset Review List. They require businesses subject to Money Laundering Regulations to review [HM Treasury's Frozen Asset Review List](#) and tell them if they hold, or control, funds or economic resources belonging to any individuals on it.

These individuals have been targeted under UK, UN, or EU law for financial sanctions which includes freezing of assets. You must [complete and submit the reporting form](#) by **Friday 14 October 2016**.

ABOUT AIPP

You are currently not a member of AIPP, The Association of International Property Professionals [AIPP](#).

AIPP is the industry body for all international property professionals, improving commercial standards in foreign property sales. Our services are completely free to property buyers & owners. AIPP members are companies involved in the cross-border property industry and, as such, include; Agents, Property Developers, Lawyers, Financial Services co's and other specialist companies. AIPP is not-for-profit funded by member subscription now with over 400 corporate members in over 30 countries around the world. AIPP focuses on two key areas:

1. Consumer Education & Protection
2. Trade Business Development & Best Practice

AIPP members are bound by the AIPP [Code of Conduct](#) and held to account by the independent, UK based, [The Property Ombudsman](#).

REDRESS SCHEMES & NTSEAT

Registration with an approved redress scheme is an important legal requirement of the Estate Agents Act 1979 (the Act): if you act as an Estate Agent AND deal in residential property YOU must be registered. There are currently three approved redress schemes: The Property Ombudsman, Ombudsman Services; Property and Property Redress Scheme.

[The National Trading Standards Estate Agency Team](#) (NTSEAT) hosted by Powys County Council, is the lead enforcement authority in the UK for the Act. One of the team's responsibilities is to approve redress schemes under the section 23A of the Act. These schemes provide a mechanism for the investigation and determination of complaints by someone independent of the estate agent.

NTSEAT has recently issued a guidance note to clarify the position as to who needs to be a member of a redress scheme. This guidance can be found in the 'advice for estate agents' section of their website section and [here](#).

Important points clarified:

- Estate agency work
- Residential property to include commercial property even with a small residential part and moorings if they include land and a building
- UK agents dealing only in overseas property and overseas agents operating in the UK are both covered by the regulations

NTSEAT may apply any combination of the following sanctions for non registration with an approved redress scheme:

- Written warning
- Penalty charge (£1000) – which can be repeated
- Formal undertakings
- Formal warning against individual and/or business (recorded on public register)
- Prohibition order against individual and/or business (recorded on public register)

Your options are to join one of the approved schemes or join the AIPP:



- Providing consumers and property agents with alternative dispute resolution since 1990. TPO resolution provide full and final settlement of a dispute and can make awards of up to £25,000 for actual and quantifiable loss and/or aggravation
- Membership level includes international sales and lettings and all business services applicable to Ombudsman jurisdiction
- Annual fee: £195+VAT per branch, plus a one-off joining fee £50+VAT per branch
- No complaint handling fees



- Ombudsman services also cover Communications, Energy and Consumer Ombudsman
- Resolve complaints brought by consumers, decisions are binding
- Penalties can cover: an apology, an explanation of what went wrong, corrective actions and a financial award up to £25,000
- Annual fee: £150+VAT per firm (irrespective of number of branches)
- Complaint handling fee: £260+VAT per case



- New consumer redress scheme for property agents and professionals
- Penalties can cover: an apology, an explanation of what went wrong, corrective actions and a financial award up to £25,000
- Annual fees: £199+VAT per branch and HO (covers complaint handling) or £95+VAT per branch and HO + complaint handling fees
- Complaint handling fees: £80+VAT (Agent has client money protection insurance) or 120+VAT all others

OR

Join AIPP, where registration with The Property Ombudsman for your overseas properties is bundled in at no additional cost. In addition to enjoying the benefits of membership and improved client confidence you can rest easy that you have complied with this aspect of The Estate Agents Act 1979.

Membership fees start at £295+ VAT. Contact admin@aipp.org.uk for further information or [CLICK HERE TO RECEIVE MEMBERSHIP DETAILS.](#)

UK FINANCIAL COMPLIANCE

The United Kingdom HM Revenue and Customs (HMRC) and HM Treasury are updating their Frozen Asset Review List. They require businesses subject to Money Laundering Regulations to review [HM Treasury's Frozen Asset Review List](#) and tell them if they hold, or control, funds or economic resources belonging to any individuals on it.

These individuals have been targeted under UK, UN, or EU law for financial sanctions which includes freezing of assets. You must [complete and submit the reporting form](#) by **Friday 14 October 2016**.

As a Money Laundering regulations supervisor, HMRC encourages businesses to regularly check the list of asset freeze targets as part of their customer due diligence and [sign up](#) to receive email alerts.

Further information can be found in OFSI's [Guide to Financial Sanctions](#).

If you are not registered with HMRC for Money Laundering supervision and are a business that is covered by the scope of those regulations, then we encourage you to do so as significant financial penalties can apply.

This UK HMRC update is provided to you on an information-only basis. Should you require assistance understanding your own specific circumstances and obligations under this request by UK HMRC then please contact your financial, legal or accounting adviser, as appropriate.