



TRUST OR COMPANY SERVICE PROVIDERS AND ANTI-MONEY LAUNDERING SUPERVISION

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INTRODUCTION

This helpsheet has been issued by ICAEW's Technical Advisory Service to help ICAEW members comply with Anti-Money Laundering (AML) legislation who are trust or company service providers (TCSPs).

Members may also wish to refer to the following:

- [Money laundering supervision for trust or company service providers guidance](#)
- [Anti-money laundering supervision by ICAEW](#)

WHAT IS TCSP WORK?

TCSP work is defined by Regulation 12(2) of the Money Laundering Regulations 2017 (MLR17) as:

- (a) *Forming companies or other legal persons;*
- (b) *Acting, or arranging for another person to act:*
 - (i) *As a director or secretary of a company;*
 - (ii) *As a partner of a partnership; or*
 - (iii) *In a similar capacity in relation to other legal persons;*
- (c) *Providing a registered office, business address, correspondence or administrative address or other related services for a company, partnership or any other legal person or legal arrangements;*
- (d) *Acting, or arranging for another person to act, as:*
 - (i) *A trustee or an express trust or similar legal arrangement' or*
 - (ii) *A nominee shareholder for a person other than a company whose securities are listed on a regulated market.*

Further information on HMRC's definition of TCSPs is available on the [Government's website](#).

WHAT IS THE TCSP REGISTER?

Under Regulation 54 of MLR17, HMRC must maintain a register of all relevant persons in the UK that act or may potentially act as TCSPs, except for relevant persons that are registered with the FCA. If you perform TCSP work when not on the register, you may be subject to disciplinary action.

In order to maintain the register, HMRC has requested ICAEW (along with the other professional body supervisors) notifies them of all firms we supervise that perform TCSP work (including firm where TCSP work is incidental to the accountancy services).

If you have told us on your annual return that you have performed TCSP work in the last 12 months (ie, answered 'yes' to any of questions AML07a to AML07e), we will include your firm on HMRC's TCSP register.

DO I NEED TO BE AML SUPERVISED TO DO TCSP WORK?

Yes. ICAEW is a supervisory authority under Schedule 1 to the MLR17. HM Treasury recognises the Practice Assurance (PA) scheme as a suitable means for supervising our members. Firms that provide trust or company services as part of their main accountancy practice, and who meet the [definition of a member firm](#), will be supervised by ICAEW for all their work.

Firms that don't meet the [definition of a member firm](#) but are within the scope of MLR17, can apply to ICAEW to join the PA scheme and register for anti-money laundering supervision. In order to apply, at least one principal in the firm must be an ICAEW member or an affiliate member, or the firm must be owned by a firm which has at least one ICAEW member or affiliate member as a principal. See [How to apply for AML supervision by ICAEW](#).

ICAEW members who do TCSP work but not accountancy services, can apply for AML supervision by ICAEW or another supervisor such as HMRC. The government website lists the [main supervisory bodies](#).

WHY DOES TCSP WORK HAVE A HIGHER AML RISK?

HM Treasury and Home Office published an update to the [National Risk Assessment \(NRA\)](#) in 2017.

The NRA concludes that the involvement of accountants in company formation and other company services, whether in the UK or overseas, is the accountancy service at highest risk of exploitation by criminals. Criminals use company formation services to mask the ownership of assets or transfer these assets between persons. The risk is greatest when company formation services are offered in conjunction with other accountancy services, to create complex corporate structures that conceal the true source of wealth and/or funds.

You should consider the AML risk faced by your firm through your firm wide risk assessment, incorporating the risk assessment set out in the National Risk Assessment.

IF IN DOUBT SEEK ADVICE

ICAEW members, affiliates, ICAEW students and staff in eligible firms with **member firm access** can discuss their specific situation with the Ethics Advisory Service on +44 (0)1908 248 250 or via **webchat**.

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For further details members are invited to telephone the Technical Advisory Service **T +44 (0)1908 248250**. The Technical Advisory Service comprises the technical enquiries, ethics advice and anti-money laundering helplines. For further details visit [icaew.com/tas](https://www.icaew.com/tas)