

## Who do the Money Laundering Regulations (MLRs) apply to?

An **independent legal professional** includes a firm or a sole practitioner who provides legal or notarial services to other persons, when participating in financial or real property transactions concerning:

- buying and selling of real property or business entities;
- managing of client money\*, securities or other assets;
- opening or management of bank, savings or securities accounts;
- organisation of contributions necessary for the creation, operation or management of companies;
- creation, operation or management of trusts, companies, foundations or similar structures,

and will be participating in a transaction by assisting in the planning or execution of the transaction or otherwise acting for or on behalf of a client in the transactions.

\* does not include merely holding client money received as an advanced payment of fees.

A **Trust or company service provider** means a firm or sole practitioner who by way of business provides any of the following services to other persons:

- forming companies or other legal persons;
- acting or arranging for another person to act as a director or secretary of a limited company – as a partner of a partnership or in a similar capacity in relation to another legal person;
- providing a registered office, business address or administrative address for the above;
- acting or arranging for another person to act as a trustee or nominee shareholder.

A table setting out summary guidance is set out below. Please contact CILEx Regulation at [info@cilexregulation.org.uk](mailto:info@cilexregulation.org.uk) if you think you should be supervised.

The Money Laundering Regulations 2017 can be found [here](#).

## Who should supervise you for complying with the Money Laundering Regulations (MLRs)?

Regulated Firms	AML Supervisor
All regulated firms will have obligations to comply with the MLRs and will be supervised.	
CILEx Authorised Entity	CILEx Regulation
SRA Regulated Law Firm	SRA,CLC,BSB
CLC Regulated Law Firm	CLC
BSB Regulated Law Firm	BSB
ICAEW Regulated Firm	ICAEW
Unregulated Firms	AML Supervisor
An unregulated firm will need to comply with the MLRs if, for example, they: <ul style="list-style-type: none"> <li>• Hold client money as part of a transaction (i.e. estate administration)</li> <li>• Open new companies for clients</li> <li>• Create or manage trusts</li> </ul> <p><b>See note below and link to regulations.</b></p>	
Member of CILEx running their own unregulated Firm as a sole practitioner providing legal services that the Regulations apply to.	You must comply with the MLRs. Advise CILEX Regulation, so they can confirm that you will be supervised by them.
Member of CILEx running their own unregulated Firm as a Limited Company or LLP providing legal services that the Regulations apply to.	You must comply with the MLRs. Advise CILEX Regulation so they can advise you whether they or another organisation should be your supervisor.
Member of CILEx working in unregulated Firm providing legal services that the Regulations apply to.	You should ensure you comply with the MLRs. You should understand who your supervisor is. If in doubt contact CILEx Regulation.
Member of CILEx involved in the running of a Trust or company service provider as a firm or sole practitioner. <p>This provides any of the following services to other persons:</p> <ul style="list-style-type: none"> <li>• forming companies or other legal persons;</li> <li>• acting or arranging for another person to act as a director or secretary of a limited company – as a partner of a partnership or in a similar capacity in relation to another legal person;</li> <li>• providing a registered office, business address or administrative address for the above;</li> <li>• acting or arranging for another person to act as a trustee or nominee shareholder.</li> </ul>	You must comply with the MLRs. Advise CILEX Regulation so they can advise you whether they or another organisation should be your supervisor. Supervision by HMRC will be available.