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Irish estate agents and auctioneers must verify clients' identities

[Marcus Simpson](#) 26 Jul 2005

Estate agents and auctioneers operating within Ireland's legal jurisdiction must secure evidence of a client's identity and residence, an industry body has stressed. Members of either profession must retain this evidence for at least five years after the relationship has ended, barring some exemptions. The maximum penalty for failure to carry out these measures is an unlimited fine and jail term of five years.

The Irish Auctioneers and Valuers' Institute has sent out 200,000 leaflets to its members outlining the obligations placed on estate agents and auctioneers, under the 1994 *Criminal Justice Act*, to take measures to combat money laundering.

Estate agents and auctioneers now count as 'designated bodies' under the terms of the *CJA*. This means that they must record identities and addresses of clients under certain conditions and, if they suspect a client is laundering money, make a report to the Garda and/or revenue commissioners. Money laundering carries a maximum penalty of 14 years in jail and an unlimited fine.

Estate agents and auctioneers must take reasonable measures to establish the identity of a client where any of the following situations arise:

1. Either a one-off or linked transactions totalling not less than €13,000 for real property — land and/or buildings, or €15,000 for personal property (high-value goods, for example antiques).
2. The estate agent or auctioneer is providing a service on a continuous basis (generally, this can be taken to mean that more than one transaction occurs).
3. The estate agent or auctioneer suspects that a service is connected to a money laundering offence.

In the situation where there is an instructing party acting on behalf of a third party, the estate agent or auctioneer must ascertain the identity and address of the third party.

Continuous relationship

Complinet spoke to **Peter Oakes**, of regulatory consultants and trainers **Compliance Ireland**, concerning the points above. He commented particularly on the second point — the 'continuous basis', making it clear that if a second transaction occurred in any business relationship, it would constitute a continuous relationship. Estate agents who provide property services to landlords are in a continuing relationship. As such, the client's identity must be verified despite the fact that the transaction size (i.e., the rent collected on behalf of the client landlord) might be less than €13,000.

Estate agents and auctioneers should ideally ascertain:

- The identity of a client by means of a passport or driver's licence.
- The address of a client by referring to a recent bank statement, utility bill, mortgage statement, tax notice, social welfare document or insurance certificate (for house or motor).

Estate agents and auctioneers are only required to establish the identity and address of a client if the business relationship started after 15 September 2003.

***Complinet* has issued the above for information only and none of the points should be regarded as a substitute for obtaining appropriate advice.**

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