



Electronic Money Association

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29 June 2026

Dear Carol,

Re: Consultation on Proposed Amendments to Paragraphs 5.3.94A and 5.3.99 of Part I of the JMLSG Guidance

The EMA welcomes the opportunity to respond on behalf of its members to the JMLSG's consultation on the proposed amendments to paragraphs 5.3.94A and 5.3.99 of Part I of the JMLSG Guidance. A list of current EMA members is available on our [website](#).

We hope you will consider our comments and remain available for any questions you might have.

Yours sincerely,

A handwritten signature in black ink that reads 'Thaer Sabri'. The signature is written in a cursive style and is underlined with a long, sweeping horizontal line.

Dr Thaer Sabri
Chief Executive Officer
Electronic Money Association

EMA responses

Proposed amendments to paragraph 5.3.94A

Where a person purports to act on behalf of a customer, that person must be identified and their identity verified, and their authority to act on behalf of the underlying customer verified. This is intended to apply to entities acting on behalf of individuals who are the customer (for example when the customer individual has granted rights of representation to another individual or organisation) or to third parties acting on behalf of an organisation or entity which is the customer (for example when an agent or intermediary acts for a corporate customer). Verification of authority to act may be, for example, by means of a court of protection order or power of attorney.

Employees or staff of an entity or organisation (such as a corporate customer) acting on ~~its~~ behalf of that entity or organisation should be considered to be acting as the entity/organisation and are not subject to these obligations (e.g. a staff member who has authority to sign on behalf of the entity/organisation or otherwise represents the entity/organisation such as by using a company credit card or transacting for their employer as authorised user on the corporate account).

Comment: The proposed amendments seek to align the JMLSG Guidance with HM Treasury's response to its consultation on improving the effectiveness of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("HMT Response"), published on 17 July 2025, in particular paragraphs 1.20-1.22.¹

The changes address three core issues raised by the government:

I. Clarifying the intent of "acting on behalf of":

As set out in paragraph 1.20 of the HMT Response, the "acting on behalf of" provision was intended to capture distinct external relationships, namely individuals acting on behalf of other individuals (e.g. under a power of attorney) and external third parties or intermediaries acting on behalf of a corporate or other organisational customer. The proposed wording provides greater clarity on this distinction and helps firms differentiate between external representatives and employees acting for their own organisation.

II. Preventing disproportionate CDD:

Paragraph 1.21 of the HMT Response recognises that applying full CDD measures to all employees authorised to transact on behalf of their employer would often be disproportionate to the underlying ML/TF financing risks. Expanding the examples in paragraph 5.3.94A to include authorised signatories and authorised account users helps reduce the risk of unnecessary and disproportionate compliance measures.

III. Ensuring cross-sectoral consistency:

HM Treasury highlighted that current sectoral guidance is inconsistent (paragraph 1.22), noting that legal sector guidance already excludes standard employees from being treated as "purporting to

¹ https://assets.publishing.service.gov.uk/media/6878c1b42bad77c3dae4dd25/MLRs_Consultation_Response.pdf

instruct", while guidance in other sectors remains silent on the issue. Updating the JMLSG Guidance would create a clear and consistent standard across regulated financial services, supporting HM Treasury's objective of ensuring that firms are clear on their obligations and reducing the risk of over-compliance with the Regulations.