



House of Commons

Tuesday 6 March 2018

PUBLIC BILL COMMITTEE PROCEEDINGS

SANCTIONS AND ANTI-MONEY LAUNDERING BILL [LORDS]

[FIFTH AND SIXTH SITTINGS]

GLOSSARY

This document shows the fate of each clause, schedule, amendment and new clause.

The following terms are used:

Agreed to: agreed without a vote.

Agreed to on division: agreed following a vote.

Negated: rejected without a vote.

Negated on division: rejected following a vote.

Not called: debated in a group of amendments, but not put to a decision.

Not moved: not debated or put to a decision.

Question proposed: debate underway but not concluded.

Withdrawn after debate: moved and debated but then withdrawn, so not put to a decision.

Not selected: not chosen for debate by the Chair.

Clauses 44 to 46 agreed to.

Helen Goodman

Clause 47, page 34, line 33, leave out paragraph (a)

Negated on division 39

Sir Alan Duncan

Clause 47, page 34, line 38, leave out subsection (3) and insert—

“(3) Regulations under section 1 may amend the definition of “terrorist financing” in section 43(4) so as to remove any reference to a provision of regulations that is revoked by regulations under section 1.

Agreed to 8

Sanctions and Anti-Money Laundering Bill [Lords], continued

- (3A) Regulations under section 1 may amend the definition of “terrorist financing” in section 43(4) so as to add a reference to a provision of regulations under section 1 that contains an offence, but only if—
- (a) each purpose of the regulations containing the offence, as stated under section 1(3), is compliance with a UN obligation or other international obligation, or
 - (b) paragraph (a) does not apply but the report under section 2 in respect of the regulations containing the offence indicates that, in the opinion of the appropriate Minister making those regulations, the carrying out of a purpose stated in those regulations under section 1(3) would further the prevention of terrorism in the United Kingdom or elsewhere.”

Clause, as amended, agreed to.

Helen Goodman

Clause 48, page 36, line 1, leave out paragraph (d)

Withdrawn after debate 40

Alison Thewliss

Clause 48, page 36, line 5,

“(5A) A statutory instrument containing regulations under section 1 that repeals, revokes or amends—

- (a) an Act of the Scottish Parliament,
- (b) a Measure or Act of the National Assembly for Wales, or
- (c) Northern Ireland legislation,

must receive the consent of the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly, respectively.”

Clause agreed to.

Clauses 49 to 50 agreed to.

Schedule 3 agreed to.

Clauses 51 to 53 agreed to.

Helen Goodman

Clause 54, page 41, line 6, leave out “may” and insert “must”

Withdrawn after debate 41

Helen Goodman

Clause 54, page 41, line 16, leave out “may” and insert “must”

Not called 42

Sanctions and Anti-Money Laundering Bill [Lords], continued

Helen Goodman

Clause 54, page 41, line 22, leave out “may” and insert “must”

Not called 43

Helen Goodman

Clause 54, page 41, line 25, leave out “may” and insert “must”

Not called 44*Clause agreed to.**Clause 55 agreed to on division.*

 Sir Alan Duncan

Clause 56, page 42, line 3, leave out subsection (2)

Agreed to 9*Clause, as amended, agreed to.*

 Sir Alan Duncan

To move the following Clause—

Agreed to NC3**“Report in respect of offences in regulations**

- (1) In this section “relevant regulations” means regulations under section 1 which create any offence for the purposes of—
 - (a) the enforcement of any prohibitions or requirements imposed by or under regulations under section 1, or
 - (b) preventing any such prohibitions or requirements from being circumvented.
- (2) The appropriate Minister making any relevant regulations (“the Minister”) must at the required time lay before Parliament a report which—
 - (a) specifies the offences created by the regulations, indicating the prohibitions or requirements to which those offences relate,
 - (b) states that the Minister considers that there are good reasons for those prohibitions or requirements to be enforceable by criminal proceedings and explains why the Minister is of that opinion, and
 - (c) in the case of any of those offences which are punishable with imprisonment—
 - (i) states the maximum terms of imprisonment that apply to those offences,
 - (ii) states that the Minister considers that there are good reasons for those maximum terms, and
 - (iii) explains why the Minister is of that opinion.

Sanctions and Anti-Money Laundering Bill [Lords], continued

- (3) Subsection (4) applies where an offence created by the regulations relates to a particular prohibition or requirement and the Minister considers that a good reason—
- (a) for that prohibition or requirement to be enforceable by criminal proceedings, or
 - (b) for a particular maximum term of imprisonment to apply to that offence, is consistency with another enactment relating to the enforcement of a similar prohibition or requirement.
- (4) The report must identify that other enactment.
- (5) In subsection (3) “another enactment” means any provision of or made under an Act, other than a provision of the regulations to which the report relates.
- (6) In subsection (2) “the required time” means—
- (a) in the case of regulations contained in a statutory instrument which is laid before Parliament after being made, the same time as the instrument is laid before Parliament;
 - (b) in the case of regulations contained in a statutory instrument a draft of which is laid before Parliament, the same time as the draft is laid.
- (7) This section applies to regulations which amend other regulations under section 1 so as to create an offence as it applies to regulations which otherwise create an offence.”

Sir Alan Duncan

Agreed to NC4

To move the following Clause—

“Duties to lay certain reports before Parliament: further provision

- (1) In this section “a reporting provision” means section 2(4), (*Report in respect of offences in regulations*)(2) or 40(2) or paragraph 20A(2) of Schedule 2 (duties to lay before Parliament certain reports relating to regulations).
- (2) Where more than one reporting provision applies in relation to particular regulations under section 1, the reports to which those provisions relate may be contained in a single document.
- (3) If a reporting provision is not complied with, the appropriate Minister who should have complied with that provision must publish a written statement explaining why that Minister failed to comply with it.
- (4) Subsection (5) applies where a reporting provision applies and—
 - (a) a statutory instrument containing the regulations concerned, or
 - (b) a draft of such an instrument,
 is laid before the House of Commons and House of Lords on different days.
- (5) Where this subsection applies, the reporting provision in question is to be read as requiring the laying of a copy of the report to which that provision relates—
 - (a) before the House of Commons at the time the instrument or draft mentioned in subsection (4) is laid before the House of Commons, and
 - (b) before the House of Lords at the time that instrument or draft is laid before the House of Lords.”

Sanctions and Anti-Money Laundering Bill [Lords], continued

Helen Goodman
Anneliese Dodds

Withdrawn after debate NC1

To move the following Clause—

“Public registers of beneficial ownership of companies in the British overseas territories

- (1) For the purpose of preventing money laundering, the Secretary of State must provide all reasonable assistance to the governments of—
 - (a) Anguilla;
 - (b) Bermuda;
 - (c) the British Virgin Islands;
 - (d) the Cayman Islands;
 - (e) Montserrat; and
 - (f) the Turks and Caicos Islands,to enable each of those governments to establish a publicly accessible register of the beneficial ownership of companies registered in that government’s jurisdiction.
- (2) No later than 1 January 2019 the Secretary of State must prepare an Order in Council in respect of any British overseas territories listed in subsection (1) that have not by that date introduced a publicly accessible register of the beneficial ownership of companies within their jurisdiction, requiring them to adopt such a register by 1 January 2020.
- (3) In this section a “publicly accessible register of beneficial ownership of companies” means a register which, in the opinion of the Secretary of State, provides information broadly equivalent to that available in accordance with the provisions of Part 21A of the Companies Act 2006 (information about people with significant control).”

Helen Goodman
Anneliese Dodds

Withdrawn after debate NC2

To move the following Clause—

“Public register of beneficial ownership of UK property by companies and other legal entities registered outside the UK

- (1) In addition to the provisions made under paragraph 6 of Schedule 2, for the purpose of preventing money laundering in the UK property market and public procurement, the Secretary of State must create a public register of beneficial ownership information for companies and other legal entities registered outside of the UK that own or buy UK property, or bid for UK government contracts.
 - (2) The register must be implemented within 12 months of the day on which this Act is passed.”
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Sanctions and Anti-Money Laundering Bill [Lords], continued

Helen Goodman

Not called NC5

To move the following Clause—

“Reports on the use of exemptions and licensing

- (1) Where regulations are made under section 1, the appropriate Minister must—
 - (a) prepare a report on the matters mentioned in subsection (2) for—
 - (i) the period of twelve months beginning with the day on which the regulations made under section 1 come into force; and
 - (ii) every subsequent twelve month period; and
 - (b) lay a copy of each such report before Parliament.
 - (2) The matters are—
 - (a) the number of applications for humanitarian licences made during the reporting period including specific detail about whether licences were requested by EU Member States or the United States of America;
 - (b) the number of humanitarian licences granted, refused or withdrawn during the reporting period;
 - (c) the number of non-humanitarian exemptions and licences requested;
 - (d) the number of non-humanitarian exemptions and licences granted, refused or withdrawn; and
 - (e) the amount of time taken for each application to be processed during the reporting period.”
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Helen Goodman

Withdrawn after debate NC6

To move the following Clause—

“Alignment of Sanctions

- (1) It shall be a negotiating objective of Her Majesty’s Government in negotiations on the matters specified in subsection (2) to continue the United Kingdom’s participation in the Political and Security Committee of the European Union in order to align sanctions policy with the European Union.
- (2) Those matters are—
 - (a) the United Kingdom’s withdrawal from the European Union, and
 - (b) a permanent agreement with the European Union for a period subsequent to the transitional period after the United Kingdom’s withdrawal from the European Union.
- (3) It shall be the duty of the Secretary of State to lay a report before both Houses of Parliament in accordance with either subsection (4) or subsection (5).
- (4) A report under this subsection shall be to the effect that the negotiating objective specified in subsection (1) has been achieved.
- (5) A report under this subsection shall be to the effect that the negotiating objective specified in subsection (1) has not been achieved.

Sanctions and Anti-Money Laundering Bill [Lords], continued

- (6) This Act shall not come into force until a report under either subsection (4) or (5) has been approved via resolution of the House of Commons and considered by the House of Lords.”

Helen Goodman
Anneliese Dodds

Negatived on division NC7

To move the following Clause—

“Parliamentary committee to scrutinise regulations

- (1) A Minister may not lay before Parliament a statutory instrument under section 48(5) unless a committee of the House of Commons charged with scrutinising statutory instruments made under this Act has recommended that the instrument be laid.
- (2) The committee of the House of Commons so charged under subsection (1) may scrutinise any reviews carried out under section 27 of this Act.”

Helen Goodman
Anneliese Dodds

Not called NC8

To move the following Clause—

“Public registers of beneficial ownership of companies in the British Crown Dependencies

- (1) For the purpose of preventing money laundering, the Secretary of State must consult with the authorities of governments in each Crown Dependency on establishing a publicly accessible register of the beneficial ownership of companies registered in their jurisdictions.
- (2) Within 6 months of this Act being passed, and every 12 months thereafter, the Secretary of State must report to Parliament on progress within the Crown Dependencies on establishing registers as referred to in subsection (1).
- (3) In this section a “publicly accessible register of beneficial ownership of companies” means a register which, in the opinion of the Secretary of State, provides information broadly equivalent to that available in accordance with the provisions of Part 21A of the Companies Act 2006 (information about people with significant control).”
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Sanctions and Anti-Money Laundering Bill [Lords], continued

Helen Goodman
Anneliese Dodds

Negatived on division NC9

To move the following Clause—

“Failure to prevent money laundering

- (1) A relevant body (B) is guilty of an offence if a person commits a money laundering facilitation offence when acting in the capacity of a person associated with B.
- (2) For the purposes of this section “money laundering facilitation offence” means—
 - (a) concealing, disguising, converting, transferring or removing criminal property under section 327 of the Proceeds of Crime Act 2002 (concealing etc);
 - (b) entering into an arrangement which the person knows, or suspects, facilitates (by whatever means) the acquisition, retention, use, or control of criminal property under section 328 of the Proceeds of Crime Act 2002 (arrangements); or
 - (c) the acquisition, use or possession of criminal property, under section 329 of the Proceeds of Crime Act 2002 (acquisition, use and possession).
- (3) It is a defence for B to prove that, when the money laundering facilitation offence was committed, B had in place adequate procedures designed to prevent persons acting in the capacity of a person associated with B from committing such an offence.
- (4) A relevant body guilty of an offence under this section is liable—
 - (a) on conviction on indictment, to a fine;
 - (b) on summary conviction in England and Wales, to a fine; or
 - (c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.
- (5) It is immaterial for the purposes of this section whether—
 - (a) any relevant conduct of a relevant body, or
 - (b) any conduct which constitutes part of a relevant criminal offence, takes place in the United Kingdom or elsewhere.
- (6) In this section, “relevant body” and “acting in the capacity of a person associated with B” have the same meaning as in section 44 of the Criminal Finances Act 2017 (meaning of relevant body and acting in the capacity of an associated person).”

Helen Goodman
Anneliese Dodds

Negatived on division NC10

To move the following Clause—

“Registration of companies: anti-money laundering checks

- (1) The Registrar of Companies must not register a company unless he or she is satisfied that appropriate anti-money laundering checks have taken place.

Sanctions and Anti-Money Laundering Bill [Lords], continued

- (2) The Companies Act 2006 is amended as follows—
- (a) in section 9, after subsection (5), insert—
- “(5ZA) The application must provide satisfactory evidence that anti-money laundering checks have taken place.”

- (b) after section 13 insert—

“13A Satisfactory evidence of anti-money laundering checks

- (1) The Registrar is entitled to accept the anti-money laundering registration number of the United Kingdom body that has submitted the application as satisfactory evidence under section 9(5ZA), provided he or she believes that number to be valid.
- (2) The Secretary of State may by regulations made by statutory instrument specify any other evidence that the Registrar may accept under section 9(5ZA).
- (3) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.””

Helen Goodman
Anneliese Dodds

Negated on division NC11

To move the following Clause—

“Due diligence

- (1) For the purposes of preventing money laundering, when a company is formed, any company formation agent providing formation services must ensure that the identity and business risk profile of all beneficial owners of the company are established in accordance with—
- (a) the customer due diligence measures under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692),
- (b) regulations made under section 41 of this Act, or
- (c) the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on anti-money laundering measures.
- (2) For the purposes of subsection (1), Companies House is to be treated as a “company formation agent”.”

Sanctions and Anti-Money Laundering Bill [Lords], continued

Helen Goodman
Anneliese Dodds

Not called **NC12**

To move the following Clause—

“Companies House: due diligence and resources

- (1) For the purposes of preventing money laundering, the Companies Act 2006 is amended as follows.
- (2) In section 1061 (the registrar’s functions) after subsection (1) insert—
 - “(1A) Functions directed by the Secretary of State under subsection (1)(b) must include due diligence on a person wishing to register a company.
 - (1B) In this section “due diligence” has the same meaning as “customer due diligence measures” in regulation 3 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 692/2017).”
- (3) In section 1063 (Fees payable to the registrar), in subsection (2)(a) after “Secretary of State” insert “including the duty of due diligence under section 1061(1A).”

Helen Goodman
Anneliese Dodds

Negated on division **NC13**

To move the following Clause—

“UK bank accounts

- (1) For the purposes of tackling money laundering, the Companies Act 2006 is amended as follows.
- (2) In section 853A (duty to deliver confirmation statements), after subsection (1) insert—
 - “(1A) In subsection (1) “information” includes such information as is able to demonstrate that the company has a UK bank account.
 - (1B) Any company that is unable to provide the information required in subsection (1A) is liable to a fee which may be prescribed by regulations.””

Helen Goodman
Anneliese Dodds

Negated on division **NC14**

To move the following Clause—

“Trust or company service providers

- (1) For the purposes of preventing money laundering, a trust or company service provider that does not carry on business in the UK may not incorporate UK companies without oversight from an anti-money laundering supervisor.

Sanctions and Anti-Money Laundering Bill [Lords], continued

- (2) In this section—
- “anti-money laundering supervisor” has the same meaning as “supervisory authority” in Schedule 2;
 - “trust or company service provider” has the same meaning as in regulation 3 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 692/2017);
 - “carry on business in the UK” has the same meaning as in regulation 9 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 692/2017).”

Helen Goodman
Anneliese Dodds

Negated on division **NC15**

To move the following Clause—

“Disqualification

In the event that adequate procedures under subsection (3) of section [*Failure to prevent money laundering*] are found not to be in place, the Secretary of State must refer to the court a disqualification order under section 8 of the Company Directors Disqualification Act 1986 (disqualification of director on finding of unfitness).”

Helen Goodman
Anneliese Dodds

Negated on division **NC16**

To move the following Clause—

“Money laundering: standards and designations

- (1) An appropriate Minister may by regulations made by statutory instrument amend the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) in order to—
 - (a) implement standards published by the Financial Action Task Force from time to time relating to combating money laundering, terrorist financing and threats to the integrity of the international financial system; and
 - (b) identify or revoke a designation of a high risk country taking account of best international practice including EU sanctions regimes.
- (2) Regulations under this section may not create new types of criminal offences, or reduce defences or evidence.
- (3) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”

Sanctions and Anti-Money Laundering Bill [Lords], continued

Helen Goodman
Anneliese Dodds

Negatived on division **NC17**

To move the following Clause—

“Consultation on reform of the law on corporate liability for money laundering and terrorist financing etc

No later than six months from the date on which this Act is passed, the Secretary of State must arrange for the undertaking of a public consultation on the merits of reforming the law on corporate liability for money laundering, terrorist financing offences and those offences which pose a threat to the integrity of the international financial system.”

Helen Goodman
Anneliese Dodds

Not moved **NC18**

To move the following Clause—

“Public register of beneficial ownership of trusts and similar legal arrangements

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 are amended by leaving out paragraph (12) of regulation 45 (Register of beneficial ownership) and inserting—

“(12) The Commissioners must ensure that the register is published”.

Helen Goodman
Anneliese Dodds

Not moved **NC19**

To move the following Clause—

“Money laundering: technical amendment

- (1) Until two years after exit day, as defined by section 14 of the European Union (Withdrawal) Act 2018, an appropriate Minister may by regulations made by statutory instrument amend the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) in order to—
 - (a) replace references to EU directives and regulations with corresponding references to UK legislation;
 - (b) transpose references to European Supervisory Authorities and any review, report, guideline or Regulatory Technical Standards requirements of the European Supervisory Authorities into corresponding requirements of UK supervisory bodies with any obligations to take account of international developments and to consult also being carried over;

Sanctions and Anti-Money Laundering Bill [Lords], continued

- (c) transpose requirements for European Commission reports into report requirements from the Treasury and Home Office, including any obligation to take account of international developments;
 - (d) transpose references to delegated acts into provisions for regulations made by the affirmative procedure;
 - (e) update references relating to EEA passport rights or replace them with any corresponding or negotiated right;
 - (f) amend definitions of credit institutions and financial institutions or any other definition lists to eliminate EU cross-references and establish corresponding entity lists;
 - (g) convert any amount in euros to sterling;
 - (h) modify or delete provisions relating to the EEA to retain reference as appropriate or combine with third country provisions;
 - (i) replace reference to the identifying of high risk third countries by the Commission with corresponding UK procedure that takes account of international provisions.
- (2) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”

Helen Goodman
Anneliese Dodds

Not moved **NC20**

To move the following Clause—

“Money laundering exemptions

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) are exempted from amendment or revocation under the Legislative and Regulatory Reform Act 2006 and under the European Union (Withdrawal) Act 2018.”

Helen Goodman

Not moved **NC21**

To move the following Clause—

“Duration of Act

This Act expires at the end of the period of 5 years beginning with the day on which this Act is passed.”

Sanctions and Anti-Money Laundering Bill [*Lords*], *continued*

Alison Thewliss

Not moved NC22

To move the following Clause—

“Scottish Limited Partnerships: partner requirement

- (1) For the purposes of preventing money laundering, where a limited partnership registered in Scotland has general partners at least one of those must be a British citizen.
- (2) Where a limited partnership registered in Scotland has limited partners at least one of those must be a British citizen.
- (3) In this section—
 - “limited partnership registered in Scotland” means a partnership registered under the Limited Partnerships Act 1907;
 - “British citizen” has the meaning given in part 1 of the British Nationality Act 1981;
 - “general partner” has the meaning given in section 4(2) of the Limited Partnership Act 1907;
 - “limited partner” has the meaning given in section 4(2A) of the Limited Partnership Act 1907.”

Bill, as amended, to be reported.
