



House of Commons

NOTICES OF AMENDMENTS

given up to and including

Tuesday 27 February 2018

New Amendments handed in are marked thus ★

☆ *Amendments which will comply with the required notice period at their next appearance*

PUBLIC BILL COMMITTEE

SANCTIONS AND ANTI-MONEY LAUNDERING BILL [LORDS]

NOTE

This document includes all amendments tabled to date and includes any withdrawn amendments at the end. The amendments have been arranged in accordance with the Order of the Committee [27 February 2018].

Helen Goodman
Anneliese Dodds

1

Clause 1, page 2, line 16, at end insert “or

- (i) further accountability for, or act or as a deterrent to, the commission of a gross human rights abuse or violation.”

Member’s explanatory statement

This amendment would enable sanctions regulations to be made for the purpose of preventing, or in response to, a gross human rights abuse or violation.

Helen Goodman

13

Clause 1, page 2, line 16, at end insert “or

- (i) further the prevention of serious organised crime and trafficking, in the United Kingdom or elsewhere.”

Member’s explanatory statement

This amendment would enable sanctions regulations to be made for purposes which included the prevention of serious organised crime and trafficking.

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Helen Goodman

14

Clause 1, page 2, line 21, at end insert—

- “(3A) Regulations under this section must be accompanied by the publication of a written memorandum by the appropriate Minister, and such a memorandum must set out—
- (a) how the relevant sanctions are consistent with the overall foreign policy objectives of the UK government, including any specific regional objectives where appropriate;
 - (b) clear objectives for the relevant sanctions, including well-defined and realistic demands against which compliance can be judged;
 - (c) a coherent overarching diplomatic strategy for achieving the relevant objectives, including steps to actively and systematically communicate with targeted countries or persons on the specific concerns underpinning the sanctions against them;
 - (d) a clear exit strategy, including specific and measurable changes in the behaviour of any target or targets to be required as a precondition of any future suspension or lifting of the relevant sanctions; and
 - (e) specific steps to be taken by Ministers to promote co-operation with, and where possible the adoption of, any autonomous UK sanctions by other countries.”

Member’s explanatory statement

This amendment would require the Government to publish a memorandum setting out the objectives of any sanctions issued under this Act, and how they are consistent with the UK’s foreign policy objectives.

Helen Goodman
Anneliese Dodds

2

Clause 1, page 2, line 37, at end insert—

- “(6A) In this section, conduct constitutes “the commission of a gross human rights abuse or violation” if each of the following three conditions is met.
- (6B) The first condition is that—
- (a) the conduct constitutes the torture of a person or a group of people who have sought—
 - (i) to expose illegal activity carried out by a public official or a person acting in an official capacity, or
 - (ii) to obtain, exercise, defend or promote human rights and fundamental freedoms, or
 - (b) the conduct otherwise involves the cruel, inhuman or degrading treatment or punishment of such a person or a group of people.
- (6C) The second condition is that the conduct is carried out in consequence of that person having sought to do anything falling within subsection (6B) (a) (i) or (ii).
- (6D) The third condition is that the conduct is carried out—
- (a) by a public official, or a person acting in an official capacity, in the performance or purported performance of his or her official duties, or
 - (b) by a person not falling within paragraph (a) at the instigation or with the consent or acquiescence—
 - (i) of a public official, or
 - (ii) of a person acting in an official capacity, who in instigating the conduct, or in consenting to or acquiescing in it, is acting in the performance or purported performance of his or her official duties.

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

- (6E) Conduct that involves the intentional infliction of severe pain or suffering on another person or a group of people is conduct that constitutes torture for the purposes of subsection (6B) (a).
- (6F) Conduct is connected with the commission of a gross human rights abuse or violation if it is conduct by a person that involves—
- (a) acting as an agent for another in connection with activities relating to conduct constituting the commission of a gross human rights abuse or violation,
 - (b) directing, or sponsoring, such activities,
 - (c) profiting from such activities, or
 - (d) materially assisting such activities.
- (6G) The cases in which a person materially assists activities for the purposes of subsection (6F) (d) include those where the person—
- (a) provides goods or services in support of the carrying out of the activities, or
 - (b) otherwise provides any financial or technological support in connection with their carrying out.”

Member’s explanatory statement

This amendment, which is consequential on Amendment 1, would define what constitutes the commission of a gross human rights abuse or violation. This would include the torture of a person who has sought to expose the illegal activity of a public official, or the torture of a person who had sought to defend human rights or fundamental freedoms, by a public official or a person acting in an official capacity.

Sir Alan Duncan

3

Clause 1, page 3, line 2, leave out “(d)” and insert “(h)”

Member’s explanatory statement

This amendment expands the reference in Clause 1 to subsection (2) so that it covers paragraphs (e) to (h) of that subsection (as well as paragraphs (a) to (d)).

Helen Goodman

32

Clause 21, page 18, line 34, leave out “3 years” and insert “12 months”

Helen Goodman

33

Clause 21, page 18, line 36, leave out “3 years” and insert “12 months”

Helen Goodman

34

Clause 25, page 20, line 14, leave out “3 years” and insert “12 months”

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

Helen Goodman

Clause 25, page 20, line 16, leave out “3 years” and insert “12 months”

35

Helen Goodman

Clause 27, page 20, line 39, leave out “the purpose stated in them under section 1(3)” and insert—

24

- “(a) the purpose stated in them under section 1(3);
- (b) the humanitarian impact;
- (c) any British citizen, a British Overseas Territories citizen or British overseas citizen who is not the intended target of sanctions issued under this Act but who is directly or indirectly impacted by the imposition of such sanctions”.

Member’s explanatory statement

This amendment would require the Government to review whether the sanctions regulations are still appropriate for their specified purposes, including their humanitarian impact and impact on British citizens who are indirectly affected by the imposition of sanctions.

Helen Goodman

Clause 27, page 20, line 40, at end insert—

25

“(2A) The review of the humanitarian impact under subsection (2)(b) must be conducted according to the methodology set out in Chapter 5 of the UN InterAgency Standing Committee’s Sanctions Assessment Handbook: Assessing the Humanitarian Implications of Sanctions, published in 2004.”

Member’s explanatory statement

This amendment, which is consequential on Amendment 24, would require the Government to carry out a humanitarian impact assessment when reviewing the regulations issued under section 1.

Sir Alan Duncan

Clause 27, page 21, line 5, leave out “(d)” and insert “(h)”

5

Member’s explanatory statement

The provision amended here concerns a Minister’s review of regulations made under Clause 1 which state a purpose within Clause 1(2). The amendment expands the reference to Clause 1(2) so that it covers paragraphs (e) to (h) of Clause 1(2) (as well as paragraphs (a) to (d)).

Helen Goodman

Clause 27, page 21, line 8, at end insert—

26

- “(d) the steps taken to promote the adoption of sanctions on a multilateral basis;
- (e) a summary of any representations made in relation to the exercise or proposed exercise of the powers and the response of the appropriate Minister to the same;
- (f) a review from the Independent Reviewer, appointed pursuant to section 20 of the Terrorism Prevention and Investigation Measures Act 2011

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

(‘the 2011 Act’), of the operation of this Act in the reports by the Independent Reviewer produced pursuant to the 2011 Act.”

Member’s explanatory statement

This amendment would require the review of regulations to include consideration of the steps taken to promote the adoption of sanctions, a summary of the representations made in relation to powers under this Act and an independent review of the operation of this Act.

Helen Goodman

36

Clause 27, page 21, line 17, at end insert—

“(5A) The Appropriate Minister who made the regulations must in each quarterly period lay before Parliament a report for each sanctions regime and regulation containing—

- (a) the aggregate value of funds and other assets frozen;
- (b) the number of suspected breaches and the aggregate value of such breaches; and
- (c) actions taken on suspected breaches.”

Member’s explanatory statement

This amendment would require the Government to report to Parliament on a quarterly basis about the impact of sanctions regimes, including the number and value of suspected breaches of those sanctions.

Helen Goodman

28

Clause 37, page 29, line 39, at end insert—

- “(d) reporting obligations;
- (e) licensing requirement provisions.

(3) Where civilian payments and humanitarian activity are exempt from any prohibitions and requirements imposed by the regulations, the appropriate Minister must issue guidance.

(4) The guidance under subsection (3) must include—

- (a) best practice for complying with the processing of civilian and humanitarian activities to reduce the risk of funds benefiting designated individuals, entities or organisations;
- (b) mechanisms to limit the impact of prohibitions and requirements on a permissible civilian and humanitarian activity;
- (c) circumstances where the prohibitions and requirements may be relevant in the context of the otherwise permissible delivery of a humanitarian activity; and
- (d) options setting out effective banking and payment corridors for the processing of payments in support of a civilian and humanitarian activity which is not subject to any prohibitions or requirements.”

Member’s explanatory statement

This amendment would require that the guidance issued about regulations under section 1 includes guidance on reporting obligations and licensing requirements. It would also require the Government to issue guidance on civilian payments and humanitarian activity exempt from prohibitions and requirements imposed by regulations.

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

Helen Goodman

27

Clause 37, page 29, line 39, at end insert—

“(3) Where regulations under section 1 make provision as to the meaning of any reference in the regulations to a person “owned” or “controlled” by another person pursuant to section 50(3), the appropriate Minister must issue guidance.”

Member’s explanatory statement

This amendment would require the Government to issue guidance setting out the meaning of a person “owned” or “controlled” by another person when regulations are issued to make provision for this purpose under section 50(3).

Sir Alan Duncan

6

Clause 39, page 30, line 24, leave out “(d)” and insert “(h)”

Member’s explanatory statement

The provision amended here is a condition which applies to the power to amend regulations made under Clause 1 which state a purpose within Clause 1(2). The amendment expands the reference to Clause 1(2) so that it covers paragraphs (e) to (h) of Clause 1(2) (as well as paragraphs (a) to (d)).

Anneliese Dodds
Helen Goodman

38

☆ Clause 43, page 33, line 12, at end insert—

“(1A) Provision made under subsection (1)(a) may in particular include provision for enabling or facilitating the detection or investigation of money laundering, or preventing money laundering, through limited partnerships registered in Scotland.”

Member’s explanatory statement

This amendment would ensure that regulations under this section made in relation to money laundering particularly applied to money laundering through limited partnerships in Scotland.

Sir Alan Duncan

7

Clause 43, page 33, line 13, leave out subsection (2)

Member’s explanatory statement

This amendment removes the provision that prevents contraventions of regulations under Clause 43 (money laundering and terrorist financing etc) from being enforceable by criminal proceedings.

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

Sir Alan Duncan

10

Schedule 2, page 53, line 32, leave out paragraph 15 and insert—

“15 Make provision—

- (a) creating criminal offences for the purposes of the enforcement of requirements imposed by or under regulations under section 43, and
- (b) dealing with matters relating to any offences created for such purposes by regulations under section 43,

but see paragraphs 18 and 19.”

Member’s explanatory statement

This amendment, read with Amendment 12, makes clear that any offences included in regulations under Clause 43 must be for the purposes of enforcing requirements imposed by or under regulations under Clause 43 or (while they remain in force) the Money Laundering Regulations 2017.

Sir Alan Duncan

11

Schedule 2, page 54, line 11, at end insert—

“20A(1) In this paragraph “relevant regulations” means regulations under section 43 which create any offence for the purposes of the enforcement of any requirements imposed by or under regulations under section 43.

(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 requirements to which those offences relate,
- (b) states that the Minister considers that there are good reasons for those 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.

(3) Sub-paragraph (4) applies where an offence created by the regulations relates to particular requirements and the Minister considers that a good reason—

- (a) for those requirements 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 similar requirements.

(4) The report must identify that other enactment.

(5) In sub-paragraph (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 sub-paragraph (2) “the required time” means the same time as the draft of the statutory instrument containing the regulations is laid before Parliament.

(7) This paragraph applies to regulations which amend other regulations under section 43 so as to create an offence as it applies to regulations which otherwise create an offence.”

Member’s explanatory statement

This amendment requires that where regulations under Clause 43 are made which include

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

offences, a report specifying the offences and giving reasons for any terms of imprisonment that apply to them must be laid before Parliament.

Sir Alan Duncan

12

Schedule 2, page 54, line 39, at end insert—

- “() In paragraph 15 (offences), any reference to regulations under section 43 includes the Money Laundering Regulations 2017.
- () In paragraph 20A (report in respect of offences)—
 - (a) the reference in sub-paragraph (1) to requirements imposed by or under regulations under section 43 includes requirements imposed by or under the Money Laundering Regulations 2017, and
 - (b) the reference in sub-paragraph (7) to other regulations under section 43 includes the Money Laundering Regulations 2017.”

Member’s explanatory statement

This amendment has the effect that, while the Money Laundering Regulations 2017 remain in force, offences may be created by regulations under Clause 43 for the purposes of enforcing requirements in the 2017 regulations.

Sir Alan Duncan

8

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.
- (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.”

Member’s explanatory statement

This amendment provides that regulations under Clause 1 may amend the definition of “terrorist financing” in the Bill to add a reference to an offence only where the purpose of the regulations containing the offence is compliance with a UN or other international obligation or a purpose related to the prevention of terrorism.

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

Alison Thewliss

37

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.”

Member’s explanatory statement

This amendment would require the UK Government to obtain the consent of the devolved administrations before repealing, revoking or amending devolved legislation using a statutory instrument containing regulations under section 1.

Sir Alan Duncan

9

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

Member’s explanatory statement

This amendment removes the privilege amendment inserted by the Lords.

Sir Alan Duncan

NC3

To move the following Clause—

“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, in 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.”

Member’s explanatory statement

This new clause requires that where regulations under Clause 1 are made which include offences, a report specifying the offences and giving reasons for any terms of imprisonment that apply to them must be laid before Parliament.

Sir Alan Duncan

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

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

- (b) before the House of Lords at the time that instrument or draft is laid before the House of Lords.”

Member’s explanatory statement

This new clause enables certain reports relating to regulations to be combined in one document, requires a written statement to be made by the Minister if certain reporting requirements are not complied with, and clarifies how those requirements apply.

Helen Goodman
Anneliese Dodds

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).”

Member’s explanatory statement

This new clause would require the Secretary of State to take steps to ensure the governments of specified British overseas territories introduce public registers of beneficial ownership of companies.

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

Helen Goodman
Anneliese Dodds

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.”

Member’s explanatory statement

This new clause would require the Secretary of State to 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, within 12 months.

Helen Goodman

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.”

Member’s explanatory statement

This new clause would require the Government to lay a report before Parliament every 12 months reporting on the use of both humanitarian and non-humanitarian exemptions and licensing.

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

Helen Goodman

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.
- (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.”

Member’s explanatory statement

This new clause would require the UK Government to seek continued participation in the Political and Security Committee so as to allow alignment on international sanctions.

Helen Goodman
Anneliese Dodds

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.”

Member’s explanatory statement

This new clause would require a specialised House of Commons Committee to approve all statutory instruments laid under the affirmative procedure under this Act. The Committee would also scrutinise the Government’s reviews of sanctions regulations.

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

Helen Goodman
Anneliese Dodds

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).”

Member’s explanatory statement

This new clause would require the Secretary of State to consult with the governments in each Crown Dependency about introducing public registers of beneficial ownership of companies in the Crown Dependencies, and to report to Parliament on the progress of establishing such registers.

Helen Goodman
Anneliese Dodds

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

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

- (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).”

Member’s explanatory statement

This new clause would make it an offence if a relevant body failed to put in place adequate procedures to prevent a person associated with it from carrying out a money laundering facilitation offence. A money laundering facilitation offence would include concealing, disguising, converting, transferring or removing criminal property under section 327 of the Proceeds of Crime Act 2002.

Helen Goodman
Anneliese Dodds

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.
- (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.””

Member’s explanatory statement

This new clause would amend the Companies Act 2006 to ensure that the Registrar of Companies

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

does not register a company under that Act unless the required anti-money laundering checks have taken place.

Helen Goodman
Anneliese Dodds

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”.

Member’s explanatory statement

This new clause would ensure that when a company is formed in the UK, the relevant formation services must identify the beneficial owners of the company. It will also treat Companies House as a “company formation agent”, ensuring that the data on the public register of beneficial ownership for companies is accurate.

Helen Goodman
Anneliese Dodds

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).”

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- (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).”

Member’s explanatory statement

This new clause would amend the duties of Companies House to ensure that any person wishing to register a company must be checked for due diligence by Companies House, in line with the measures included in the Money Laundering Regulations 2017. It also ensures that the Secretary of State can charge fees for due diligence checks to cover costs incurred by Companies House.

Helen Goodman
Anneliese Dodds

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.””

Member’s explanatory statement

This new clause would ensure that all companies wishing to be created in the UK must provide evidence of a UK bank account to ensure it has gone through proper money laundering checks by a UK supervising body. If a company is unable to provide proof then they are liable to a fee which will cover the cost of such checks.

Helen Goodman
Anneliese Dodds

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.
- (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);

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

“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).”

Member’s explanatory statement

This new clause would ensure that Trust or company service providers that do not conduct business in the UK may not incorporate UK companies without oversight from a UK supervisor.

Helen Goodman
Anneliese Dodds

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).”

Member’s explanatory statement

This new clause would require the Minister to ask the courts to investigate whether directors of a company are fit and proper, if it was found that proper procedures against money laundering were not in place.

Helen Goodman
Anneliese Dodds

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

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.”

Member’s explanatory statement

This new clause calls for a public consultation on corporate liability for money laundering within six months.

Helen Goodman
Anneliese Dodds

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”.

Member’s explanatory statement

This new clause would require the Government to publish the register of beneficial ownership of trusts and similar legal arrangements on the day this Act is passed.

Helen Goodman
Anneliese Dodds

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;

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- (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;
 - (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.”

Member’s explanatory statement

This new clause would allow the Minister to amend the Money Laundering Regulations 2017 via statutory instruments, but only if it is permitted under the listed situations. It is designed to prevent dilution or repeal of the regulations.

Helen Goodman
Anneliese Dodds

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.”

Member’s explanatory statement

This new clause would prevent any amendment or repeal to the 2017 Money Laundering Regulations after Brexit.

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

ORDER OF THE HOUSE [20 FEBRUARY 2018]

That the following provisions shall apply to the Sanctions and Anti-Money Laundering Bill [Lords]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 6 March.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

4. Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.
5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

7. Any other proceedings on the Bill may be programmed.

ORDER OF THE COMMITTEE [27 FEBRUARY 2018]

That—

- (1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 27 February) meet—
 - (a) at 2.00 pm on Tuesday 27 February;
 - (b) at 11.30 am and 2.00 pm on Thursday 1 March;
 - (c) at 9.25 am and 2.00 pm on Tuesday 6 March;
- (2) the proceedings shall be taken in the following order: Clauses 2 to 5; Schedule 1; Clauses 6 to 18; Clause 1; Clauses 19 to 43; Schedule 2; Clauses 44 to 50; Schedule 3; Clauses 51 to 56; new Clauses; new Schedules; remaining proceedings on the Bill.
- (3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 6 March.

NOTICES WITHDRAWN

The following Notices were withdrawn on 23 February 2018: