

**Sanctions and Anti-Money Laundering Bill: Analysis on the application of Standing Order No. 83L of the Standing Orders of the House of Commons relating to Public Business in respect of Government amendments tabled for Report stage**

The following is the Foreign and Commonwealth Office’s assessment of the Bill and Government amendments tabled to the Bill for consideration at Report stage.

Summary

None of the Government amendments tabled for consideration at Report stage are considered to change the territorial extent or application of any part of the Bill for the purposes of Standing Order 83L. This assessment is presented in tabular form below.

Provision	Extends to E & W and applies to England?	Extends to E & W and applies to Wales?	Extends and applies to Scotland?	Extends and applies to Northern Ireland?	Would corresponding provision be within the competence of the National Assembly for Wales?	Would corresponding provision be within the competence of the Scottish Parliament?	Would corresponding provision be within the competence of the Northern Ireland Assembly?	Legislative Consent Motion needed?
Clauses 1 to 58 and the Schedules	Yes	Yes	Yes	Yes	N/A	N/A	N/A	No

Territorial application

1. The Government has tabled the following amendments and new clauses for Report stage:

a. New clause 3 and amendments 10 to 17 (to clauses 1, 2, 28, and 40) relate to gross human rights abuses and violations and comprise three main elements. They would clarify that sanctions regulations can be made for the purpose of preventing, or in response to, a gross human rights abuse or violation, using the definition of “gross human rights abuse or violation” in section 241A of the Proceeds of Crime Act 2002. They introduce a requirement for the Government to make annual reports about the use of the power to make sanctions regulations: this report must identify those regulations relating to gross human rights, as well as specifying (and responding) to any recommendations made by a Parliamentary Committee. They also make consequential amendments to other provisions in the Bill. All of these amendments apply to the whole of the UK.

b. New clauses 15 to 17 and amendments 23 to 26 (to clauses 1, 19, 47, and Schedule 1) introduce a new package enabling enforcement action in

relation to ships. They provide for powers to stop and search certain ships outside the UK, and to seize goods or technology subject to sanctions and found on the ship. The powers are exercisable for the purpose of enforcing prohibitions in sanctions regulations relating to the goods or technology, or for the purpose of seizing goods or technology where there has been conduct (or suspected conduct) which would be a contravention of a prohibition in sanctions regulations relating to the goods or technology, but for the fact that the conduct falls outside the territorial scope mentioned in clause 19 of the Bill. These amendments apply to conduct outside of the UK but do not change the territorial extent of the Bill for the purposes of Standing Order No. 83L of the Standing Orders of the House of Commons.

c. New clause 4 requires the appointment of an independent reviewer to conduct reviews of sanctions regulations which impose asset-freezes or similar financial sanctions where the regulations are made for purposes relating to the prevention of terrorism and have been referred to the independent reviewer for review. This amendment applies to the whole of the UK.

d. New clause 5 and amendment 19 (to Schedule 2) are consequential on recent Government amendments to the EU (Withdrawal) Bill. New clause 5 clarifies that any restrictions in that Bill on the modification of retained EU law do not prevent powers under this Bill from being exercised. Amendment 19 enables money-laundering regulations under the Bill to make provision corresponding to, or amend or revoke, specified retained direct EU legislation relating to money laundering; it is consequential on government amendments to the European Union (Withdrawal) Bill which might otherwise prevent the regulations from modifying that retained legislation. These amendments apply to the whole of the UK.

e. Amendment 18 (to clause 57) provides that new clause 3 will commence on the day on which this Act is passed.

f. New clauses 21 to 24 and amendment 34 (to clause 57) relate to registers of beneficial ownership of companies in the Channel Islands, the Isle of Man and certain British Overseas Territories. None of these amendments change the territorial extent of the Bill for the purposes of Standing Order 83L.

2. There are therefore no changes to territorial extent or application as a result of these amendments that are relevant for the purposes of Standing Order No. 83L of the Standing Orders of the House of Commons.

3. The Government also tabled amendments to the Bill at Committee stage which are now included in the Bill as amended in Public Bill Committee. These amendments are summarised below. None of these amendments change the territorial extent or application of the Bill for the purposes of Part 83L of the Standing Orders.

a. Amendments 3, 5, and 6 made amendments to clauses 1, 27, and 39 respectively and were consequential on amendment 3 made at Report stage in the House of Lords (on 15 Jan 18).

- b. Amendment 4 amended clause 17, and deals with the matters that may be included in regulations under clause 1 in relation to criminal offences.
- c. Amendment 7 amended what is now clause 43, and removed a provision that prevented contraventions of regulations under that clause (money laundering and terrorist financing etc) from being enforceable by new criminal proceedings.
- d. Amendment 8 amended clause 47, and 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.
- e. Amendment 9 removed the privilege amendment inserted by the Lords from clause 56.
- f. Amendments 10 and 12 amended Schedule 2, and ensure 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.
- g. Amendment 11 amended Schedule 2, and require that where regulations under clause 43 are made which include offences, a report specifying the offences and giving good reasons for those offences and any terms of imprisonment that apply to them must be laid before Parliament.
- h. New clause 3 has become clause 18 (in the Bill as amended). It requires that, where regulations are made which include offences, a report specifying the offences and giving good reasons for those offences and any terms of imprisonment that apply to them, must be laid before Parliament.
- i. New clause 4 has become clause 51 (in the Bill as amended). It 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.

Minor or consequential effects

- 4. The amendments tabled for Report (or made at Committee) do not have any minor or consequential effects which are relevant to this analysis.