
Committee Stage: Thursday 3 November 2022

Economic Crime and Corporate Transparency Bill

(Amendment Paper)

This document lists all amendments tabled to the Economic Crime and Corporate Transparency Bill. Any withdrawn amendments are listed at the end of the document. The amendments are arranged in the order in which it is expected they will be decided.

This document should be read alongside the Chair's provisional Selection and Grouping, which sets out the order in which the amendments will be debated.

Kevin Hollinrake

1

Clause 32, page 22, leave out lines 8 to 12 and insert—

“(1) This section applies in relation to a person who has, at any time on or after the day on which section 32(2) of the Economic Crime and Corporate Transparency Act 2022 comes fully into force, become a person subject to relevant financial sanctions and who remains so subject.”

Member's explanatory statement

This amendment and Amendment 3 would mean that a person who is subject to sanctions is disqualified under the GB directors disqualification legislation only if those sanctions relate to asset-freezing.

Stephen Kinnock
Seema Malhotra

93

Clause 32, page 22, line 12, after “force” insert “, or a person who is suspected of the facilitation of the evasion of sanctions by a person so designated.”

Member's explanatory statement

This amendment seeks to expand the criteria for disqualifying individuals from being company directors to include people suspected of facilitating evasion of UK sanctions by sanctioned individuals, in addition to sanctioned individuals themselves.

Kevin Hollinrake

2

Clause 32, page 22, line 18, leave out “designated person” and insert “person subject to relevant financial sanctions”

Member’s explanatory statement

This amendment is consequential on Amendments 1 and 3.

Kevin Hollinrake

3

Clause 32, page 22, line 20, at end insert—

““designated person” has the meaning given by section 9 of the Sanctions and Anti-Money Laundering Act 2018;

“person subject to relevant financial sanctions” means a person who is a designated person for the purposes of any provision of regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 that imposes a prohibition or requirement for a purpose mentioned in section 3(1)(a) of that Act (asset-freezing).”

Member’s explanatory statement

See Member’s explanatory statement for Amendment 1.

Dame Margaret Hodge

83

Clause 32, page 22, line 20, at end insert—

“11B Designated persons: requirement to notify the registrar

- (1) This section applies in relation to a person who becomes a designated person as defined by section 9(2) of the Sanctions and Anti-Money Laundering Act 2018 on or after the day on which section 32(2) of the Economic Crime and Corporate Transparency Act 2022 comes fully into force.
- (2) If the person changes any details relating to any company on the register in the three months prior to the person becoming a designated person, the registrar must inform the Office of Financial Sanctions Implementation and the National Crime Agency of the changes made.”

Member’s explanatory statement

This amendment requires Companies House to notify the OFSI and NCA if a designated person has changed any details relating to a company in the three months prior to their designation.

Kevin Hollinrake

4

Clause 34, page 23, leave out lines 13 to 17 and insert—

“(1) This Article applies in relation to a person who has, at any time on or after the day on which section 34(2) of the Economic Crime and Corporate Transparency Act 2022 comes fully into force, become a person subject to relevant financial sanctions and who remains so subject.”

Member’s explanatory statement

This amendment and Amendment 6 would mean that a person who is subject to sanctions is disqualified under the NI directors disqualification legislation only if those sanctions relate to asset-freezing.

Kevin Hollinrake

5

Clause 34, page 23, line 23, leave out “designated person” and insert “person subject to relevant financial sanctions”

Member’s explanatory statement

This amendment is consequential on Amendments 4 and 6.

Kevin Hollinrake

6

Clause 34, page 23, line 23, at end insert—

“(4) In this Article —

“designated person” has the meaning given by section 9 of the Sanctions and Anti-Money Laundering Act 2018;

“person subject to relevant financial sanctions” means a person who is a designated person for the purposes of any provision of regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 that imposes a prohibition or requirement for a purpose mentioned in section 3(1)(a) of that Act (asset-freezing).”

Member’s explanatory statement

See Member’s explanatory statement for Amendment 4.

Kevin Hollinrake

7

Clause 43, page 31, line 10, at end insert "(but see subsection (4A)).

(4A) Subsection (4)—

- (a) does not limit the service address that may be registered for the director under regulations under section 1097B (rectification of register), and
- (b) ceases to apply in relation to the director if a new service address is registered for the director under those regulations."

Member's explanatory statement

Where a director's service address is moved to their residential address under section 246 of the Companies Act 2006, subsection (4) imposes restrictions on further changes. This amendment ensures those restrictions do not bite on further changes under new section 1097B (inserted by NC5).

Seema Malhotra
Stephen Kinnock

104

Clause 49, page 34, line 32, after "time" insert "and annually thereafter"

Member's explanatory statement

This amendment would require a confirmation statement with company membership information as set out in clause 49 subsection 2 to be submitted annually.

Dame Margaret Hodge

117

Clause 49, page 34, line 41, at end insert—

- "(iii) in a case where a risk assessment carried out under section 1062A(1A) has identified a matter of concern in relation to a person, a statement confirming that the identity of each such person has been verified (see section 1110A);"

Member's explanatory statement

This amendment, together with Amendment 118 and NC39, requires the registrar to cross-check whether there is a discrepancy between the identity of PSCs and that of people holding more than 5% of shares, in cases where a risk has been identified.

Alison Thewliss
Gavin Newlands
Owen Thompson

69

Schedule 2, page 148, line 40, at end insert—

“167GA Unique identification number for directors

- (1) On receipt of notification of a person becoming a director, the registrar must allocate that director a unique identification number, unless such a number has already been allocated to that person.
- (2) Any information supplied to the registrar under or by virtue of this Act about a person who has been allocated a unique identification number under subsection (1) must include that number.”

Kevin Hollinrake

44

Schedule 2, page 150, line 23, leave out “registered or”

Member’s explanatory statement

This amendment would mean that the required information that must be provided about a corporate director includes its principal office in all cases, rather than there being an option to provide its registered or principal office.

Kevin Hollinrake

45

Schedule 2, page 150, line 23, at end insert—

“(ba) a service address (which may be stated as “The company’s registered office”);”

Member’s explanatory statement

This amendment requires a company to provide a service address for directors who are not individuals.

Alison Thewliss
Gavin Newlands
Owen Thompson

68

Schedule 2, page 150, line 36, at end insert—

“167KA Limit on number of directorships held

- (1) Where notice has been given to the registrar that a person (P) has become a director, the registrar may determine that P may not hold that directorship.
- (2) The registrar may make a determination under subsection (1) if the registrar considers that P holds an excessive number of directorships.

- (3) The factors that the registrar may take into account in making a determination under subsection (1) are the experience, expertise and circumstances of P.
- (4) If the registrar makes a determination under subsection (1), P may not hold office as a director of the company."

Alison Thewliss
Gavin Newlands
Owen Thompson

70

Schedule 2, page 150, line 39, after "167G," , insert "167GA"

Member's explanatory statement

This amendment would provide for penalties to apply to anyone failing to provide their unique identification number (see Amendment 69) to the registrar.

Kevin Hollinrake

46

Schedule 2, page 153, line 35, leave out "registered or"

Member's explanatory statement

This amendment would mean that the required information that must be provided about a corporate secretary or joint secretary includes its principal office in all cases, rather than there being an option to provide its registered or principal office.

Kevin Hollinrake

47

Schedule 2, page 153, line 35, at end insert—

"(ba) a service address (which may be stated as "The company's registered office");"

Member's explanatory statement

This amendment requires a company to provide a service address for secretaries or any joint secretaries who are not individuals.

Kevin Hollinrake

48

Schedule 2, page 156, line 2, at end insert—

"(2A)In subsection (2), after paragraph (b) insert—

"(ba) a service address," .

(2B)In subsection (3)—

(a) in paragraph (b), omit "registered or";

(b) after paragraph (b) insert—

"(ba) a service address," ."

Member's explanatory statement

This amendment requires a company to provide a service address for those with significant control over a company who are not individuals. It also means that the principal office must be provided in all cases, rather than there being an option to provide its registered or principal office.

Dame Margaret Hodge

118

Clause 61, page 48, line 42, at end insert—

“Duty of registrar to cross-check identity of persons with significant control

“790LQ Duty of registrar to cross-check identity of person with significant control

- (1) This section applies where—
 - (a) the registrar has received—
 - (i) the information required by subsection (6) of section 853G (Duty to deliver shareholder information: certain traded companies), or
 - (ii) relevant membership information as required by subsection (2) of section 49 (Membership information: one-off confirmation statement) of the Economic Crime and Corporate Transparency Act 2023; and
 - (b) the risk assessment carried out under section 1062A(1A) has identified a matter of concern in relation to any of the information in paragraph (a).
- (2) The registrar must carry out a further assessment to establish whether the people notified to the registrar as persons with significant control of the company are not people notified to the registrar as holding at least 5% shares of the company, and that the reason for the discrepancy is that the company is involved in economic crime.
- (3) If following the assessment required by subsection (2) the registrar considers that there is a real risk that the people notified to the registrar as persons with significant control of the company are not people notified to the registrar as holding at least 5% shares of the company, the registrar must carry out the check required by subsection (4).
- (4) If this subsection applies, the registrar must steps to ascertain whether the people notified to the registrar as persons with significant control of the company are people notified to the registrar as holding at least 5% shares of the company.”

Member's explanatory statement

This amendment, together with Amendment 117 and NC39, requires the registrar to cross-check whether there is a discrepancy between the identity of PSCs and that of people holding more than 5% of shares, in cases where a risk has been identified.

Stephen Kinnock 108
Seema Malhotra

Clause 62, page 47, leave out lines 14 and 15

Stephen Kinnock 109
Seema Malhotra

Clause 62, page 47, leave out lines 18 to 20

Dame Margaret Hodge 78

Clause 62, page 47, line 20, at end insert—

“(2A) No verification statement may be made by an authorised corporate service provider until the Treasury has laid before Parliament a report confirming that the Treasury’s review of the UK’s anti-money laundering and countering the financing of terrorism regulatory and supervisory regime has been completed.”

Member's explanatory statement

This amendment prevents an authorised corporate service provider from making a verification statement prior to the completion of the Treasury’s review of the UK’s anti-money laundering regime.

Stephen Kinnock 107
Seema Malhotra

Clause 62, page 47, line 20, at end insert—

“(2A) The regulations must make provision for the evidence required to verify an individual’s identity for the purposes of subsection (2)(a) to include—

- (a) an identity document with a photograph of the individual’s face; and
- (b) an identity document issued by a recognised official authority.

(2B) For the purposes of subsection (2A)(b) above, “a recognised official authority” includes—

- (a) a department or agency of the UK government;
- (b) a department or agency of any of the devolved nations;

(c) a department or agency of the government of another country; where such a department or agency is authorised by the relevant government to issue official identity documents.”

Stephen Kinnock 110
Seema Malhotra

Clause 62, page 47, leave out lines 34 to 37

Stephen Kinnock 111
Seema Malhotra

Clause 62, page 47, line 43, leave out from “registrar” to the end of line 44

Stephen Kinnock 112
Seema Malhotra

Clause 62, page 48, leave out lines 4 to 26

Dame Margaret Hodge 81

Clause 63, page 49, line 38, at end insert—

“(3A) When an application is made under this section, the registrar may request evidence from HMRC that a fit and proper person test has been carried out on the applicant.”

Member’s explanatory statement

This amendment allows the registrar to request evidence from HMRC that a fit and proper person test has been carried out on a person applying to be an authorised corporate service provider.

Dame Margaret Hodge 82

Clause 63, page 49, line 45, at end insert—

“(ba) the registrar is satisfied—

- (i) that HMRC has carried out a fit and proper person test on the applicant, and
- (ii) that the applicant has met the requirement of the fit and proper person test, and”

Member's explanatory statement

This amendment would mean that the registrar could only grant an application to become an authorised corporate service provider if satisfied that an applicant had passed HMRC's fit and proper person test.

Kevin Hollinrake

8

Clause 63, page 50, line 23, leave out "registered or"

Member's explanatory statement

This amendment would mean that a firm applying to become an authorised corporate service provider would always have to state its principal office, rather than having the option of stating its registered office.

Dame Margaret Hodge

79

Clause 63, page 52, leave out from line 42 to line 28 on page 53, and insert—

"1098G Duty to provide information

- (1) The registrar must carry out a risk assessment in relation to any authorised corporate service provider to establish whether the verification of identity by the authorised corporate service provider is likely to give rise to a risk of economic crime.
- (2) If the risk assessment identifies a real risk of economic crime, the registrar may—
 - (a) require an authorised corporate service provider to provide information to the registrar; or
 - (b) require a person who ceases to be an authorised corporate service provider by virtue of section 1098F—
 - (i) to notify the registrar;
 - (ii) to provide the registrar with such information relating to the circumstances by virtue of which the person so ceased as may be requested by the registrar.
- (3) The registrar may require information to be provided on request, on the occurrence of an event or at regular intervals.
- (4) The circumstances that may be specified under section 1098F(2) or 1098G(1) (ceasing to be an authorised corporate service provider and suspension) include failure to comply with a requirement under subsection (1)(a).
- (5) A person who fails to comply with a requirement to provide information under this section commits an offence.
- (6) An offence under this section is punishable on summary conviction by—
 - (a) in England and Wales a fine;
 - (b) in Scotland and Northern Ireland a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale."

Member's explanatory statement

This amendment would give the registrar the power to require information from an authorised corporate service provider. This would replace the current provision in the Bill giving the Secretary of State a power to make regulations requiring the provision of such information.

Seema Malhotra 98
Stephen Kinnock

Clause 63, page 53, leave out from line 29 to line 5 on page 54

Member's explanatory statement

This amendment removes the provision enabling the authorisation of foreign corporate service providers.

Seema Malhotra 99
Stephen Kinnock

Clause 63, page 53, line 37, leave out from "that" to "similar" and insert, "has been assessed by the National Crime agency as having"

Member's explanatory statement

This amendment would ensure that the judgement as to whether foreign jurisdictions have similar regulatory regimes would be in the remit of the National Crime Agency, rather than in the view of the Secretary of State.

Seema Malhotra 100
Stephen Kinnock

Clause 63, page 53, line 40, at end insert—

"(2A) No person who is subject to a relevant regulatory regime under the law of a territory outside the United Kingdom may become an authorised corporate service provider if there is evidence that they have been disqualified from acting as a corporate service provider in any other jurisdiction"

Member's explanatory statement

This amendment ensures no corporate service provider based outside the United Kingdom can become an Authorised Corporate Service Provider if there is evidence that they have been disqualified from acting as a corporate service provider abroad.

Stephen Kinnock 113
Seema Malhotra

Page 48, line 35, leave out Clause 63

Kevin Hollinrake

9

Clause 65, page 55, line 3, at end insert “and section 167M(2) does not impose any obligation on a company in relation to the person”

Member’s explanatory statement

This amendment ensures that where a company director is exempt on national security grounds etc from being a person whose ID is verified, the company can also be relieved from the obligation to ensure that the director is ID verified.

Seema Malhotra
Stephen Kinnock

101

Clause 65, page 55, line 22, at end insert—

- “(4) The Secretary of State must report any use of the identity verification exemption on national security grounds as provided for by this section to the Intelligence and Security Committee of Parliament. Each report—
- (a) made under subsection (4) must include the name of the person and company exempt from identity verification.
 - (b) must include the Secretary of State’s reason for granting exemption on national security grounds.”

Member’s explanatory statement

This amendment would place a requirement on the Secretary of State to report any use of the identity verification exemption on national security grounds to the Intelligence and Security Committee.

Seema Malhotra
Stephen Kinnock

102

Clause 66, page 55, line 36, leave out “power” and insert “a duty”

Member’s explanatory statement

This amendment would ensure that all directors would be issued with a unique director identifier to be used for all their directorships regardless of whether they or an ACSP form the company.

Seema Malhotra
Stephen Kinnock

103

Clause 66, page 55, line 37, at end insert “which the registrar must make publicly available on the registrar’s website”

Member's explanatory statement

This amendment would make all unique director identifiers available on the registrar's website.

Kevin Hollinrake

10

Clause 67, page 56, line 3, after "subsection (1)" insert "—

- (a) in the words before paragraph (a), after "not" insert ", so far as it forms part of the register,";
- (b) "

Member's explanatory statement

This amendment spells out that section 1087 of the Companies Act 2006 is only concerned with information on the register of companies.

Kevin Hollinrake

11

Clause 80, page 63, line 2, at end insert—

"(vi) section 28 or 29 of the Limited Partnerships Act 1907;"

Member's explanatory statement

This amendment spells out that statements made by a person in response to a requirement under section 1092A of the Companies Act 2006 can be used in criminal proceedings for the false statement offences under the Limited Partnerships Act 1907.

Kevin Hollinrake

12

Clause 80, page 63, line 14, leave out subsection (5)

Member's explanatory statement

This amendment is consequential on NC17.

Kevin Hollinrake

13

Clause 82, page 65, line 21, at end insert—

“(6) Omit section 1095A (rectification of register to resolve a discrepancy).”

Member’s explanatory statement

This repeals section 1095A of the Companies Act 2006 as in practice the only circumstances in which material would be removed from the register under that section are caught by new section 1094 (inserted by clause 82 of the Bill).

Kevin Hollinrake

106

Clause 84, page 65, leave out lines 40 and 41 and insert—

“sections 64(6A), 67(1A), 73(7), 75(4A), 76(5A), 76A(9) and 76B(9) (which confer powers to suppress a company’s name that it has been directed or ordered to change);”

Member’s explanatory statement

This is consequential on NC34.

Stephen Kinnock
Seema Malhotra

114

Clause 87, page 68, line 7, at end insert—

- “(7A) Regulations under subsection (1) above may not prevent the registrar from making available for public inspection information mentioned in paragraphs (a) to (d) unless there are compelling reasons for the information to be withheld.
- (7B) For the purposes of subsection (7A) above, “compelling reasons for the information to be withheld” include circumstances in which the registrar may decide that public release of the information may result in—
- (a) a serious threat to the personal safety and security of the individual to which the information relates;
 - (b) adverse effects on any investigation by an appropriate officer of a suspected offence under this Act;
 - (c) adverse effects on the ability of an appropriate officer to impose a penalty for any offence under this Act; or
 - (d) a clear risk to the national security of the UK;

or in other situations in which the registrar may decide that public release of the information is contrary to the public interest.”

Member’s explanatory statement

This amendment seeks to expand the registrar’s powers to release information about the Companies House register, where it is in the public interest to do so, while also enabling personal information relating to an individual to be withheld in cases where there are compelling reasons to do so.

Dame Margaret Hodge 119

Clause 88, page 68, line 15, leave out from “must” to the end of line 17 and insert “analyse information within its possession with a view to preventing or detecting crime.”

Dame Margaret Hodge 120

Clause 88, page 68, line 17, at end insert—

“(1A) In carrying out the analysis the registrar must make use of its power to require additional information under section 1092A where the registrar considers that such additional information may contribute to the prevention or detection of crime.”

Dame Margaret Hodge 116

Clause 88, page 68, line 17, at end insert—

- “(1A) As part of the analysis under subsection (1), the registrar must carry out a risk assessment to identify where the information it holds might give rise to a matter of concern.
- (1B) Where the assessment identifies a matter of concern, the registrar must—
- (a) carry out whatever further analysis it considers necessary; and
 - (b) share any evidence of unlawful activity it identifies with the relevant law enforcement agency.
- (1C) For the purposes of this section, a “matter of concern” includes—
- (a) inaccurate information;
 - (b) information that might create a false or misleading impression; or
 - (c) evidence of economic crime.”
-

Kevin Hollinrake

14

Clause 89, page 68, line 33, at end insert—

- “(aa) any function of a Northern Ireland department under or in connection with the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4));”

Member’s explanatory statement

The amount of fees set under the Companies Act 2006 is determined in accordance with regulations. This amendment allows the regulations to reflect the costs or likely costs of a Northern Ireland department in discharging functions relating to directors disqualification.

Kevin Hollinrake

15

Clause 89, page 68, line 36, at end insert—

- “(ba) any function of a Northern Ireland department under or in connection with the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)), so far as relating to bodies corporate or other firms;”

Member’s explanatory statement

The amount of fees set under the Companies Act 2006 is determined in accordance with regulations. This amendment allows the regulations to reflect costs or likely costs of a Northern Ireland department under the insolvency legislation.

Kevin Hollinrake

16

Clause 89, page 68, line 40, at end insert—

- “(d) any function carried out by the Insolvency Service in Northern Ireland on behalf of a Northern Ireland department in connection with the detection, investigation or prosecution of offences, or the recovery of the proceeds of crime, so far as relating to bodies corporate or other firms.”

Member’s explanatory statement

The amount of fees set under the Companies Act 2006 is determined in accordance with regulations. This amendment allows the regulations to reflect costs or likely costs of the Insolvency Service in Northern Ireland in connection with enforcement.

Stephen Kinnock
Seema Malhotra

115

Clause 89, page 68, line 40, at end insert—

- “(3B) Prior to making any changes to the level of fees payable to the registrar, the Secretary of State must—
- (a) consult with the registrar on the proposed changes; and
 - (b) set out in writing what the basis is for the proposed changes, with reference to subsection (2) above.”

Kevin Hollinrake

17

Clause 89, page 69, line 5, at end insert—

- “(b) the reference in subsection (3A)(d) to functions carried out by the Insolvency Service in Northern Ireland on behalf of a Northern Ireland department, so long as the functions referred to are functions of a Northern Ireland department that are of a similar nature.”

Member’s explanatory statement

The amendment allows the reference to functions carried out by the Insolvency Service in Northern Ireland on behalf of a Northern Ireland department to be amended in the event that, in future, the functions are exercised otherwise than by the Insolvency Service in Northern Ireland.

Seema Malhotra
Stephen Kinnock

105

Clause 90, page 69, line 24, at end insert “and,

- (c) to an insolvency practitioner appointed over a corporate who has requested information not publicly available on the register about to a corporate over which they have been appointed, or any other corporates linked to that of the entity to which they have been appointed, from the Registrar.”

Member’s explanatory statement

This amendment would enable the Registrar to share non-public information on the register upon request by insolvency practitioners, in relation to the corporate over which they have been appointed, or any other corporates linked to that of the entity to which they have been appointed.

Kevin Hollinrake

49

Schedule 3, page 162, line 5, leave out paragraphs 5 to 7

Member’s explanatory statement

This amendment is consequential on NC17 and NC18.

Dame Margaret Hodge

84

Clause 96, page 75, line 23, leave out “Consolidated Fund” and insert “a fund established by the Secretary of State for the purposes of tackling economic crime (see section 1132B)”.

Member’s explanatory statement

This amendment requires penalties paid to the registrar to be paid into a fund for the purposes of tackling economic crime, rather than the consolidated fund.

Dame Margaret Hodge

80

Clause 96, page 75, line 26, at end insert—

“1132B Fund for the purposes of tackling economic crime

- (1) The Secretary of State must by regulations establish a fund for the purposes of tackling economic crime.
- (2) Penalties received by the registrar under section 1132A must contribute to the fund.
- (3) The regulations must specify the purposes for which the fund may be used, including—
 - (a) funding the activities of law enforcement agencies in tackling economic crime;”

Member’s explanatory statement

This amendment provides for a fund to be established for the purposes of tackling economic crime.

Kevin Hollinrake

50

Schedule 4, page 164, line 1, leave out “registered or”

Member’s explanatory statement

This amendment would mean that, in relation to the registration of limited partnerships, the required information that must be provided about a partner that is a legal entity includes its principal office in all cases, rather than there being an option to provide its registered or principal office.

Kevin Hollinrake 18

Clause 108, page 86, line 32, at end insert “, and

- (b) confirming that the proposed registered officer meets the requirement in section 8K(1)(c)(i) or confirming that the proposed registered officer meets the requirement in section 8K(1)(c)(ii).”

Member’s explanatory statement

This amendment would require each general partner that is a legal entity to state, in an application for registration of a limited partnership, whether its registered officer is identify verified or exempt.

Kevin Hollinrake 19

Clause 108, page 87, line 11, at end insert “, and

- (ii) confirming that the individual meets the requirement in section 8K(1)(c)(i) or confirming that the individual meets the requirement in section 8K(1)(c)(ii).”

Member’s explanatory statement

This amendment would require each proposed registered officer to confirm, in an application for registration of a limited partnership, whether they are identify verified or exempt.

Kevin Hollinrake 20

Clause 108, page 87, line 24, leave out “and”

Member’s explanatory statement

This amendment is consequential on Amendment 21.

Kevin Hollinrake 21

Clause 108, page 87, line 26, at end insert “, and

- (c) either—
 - (i) is an individual whose identity is verified (within the meaning of section 1110A of the Companies Act 2006), or
 - (ii) falls within any exemption that may be specified by regulations made by the Secretary of State for the purposes of this sub-paragraph.”

Member’s explanatory statement

This amendment would require a general partner’s registered officer to be identity verified or exempt.

Kevin Hollinrake 22

Clause 108, page 88, line 22, at end insert—

- “(7) Regulations under subsection (1)(c)(ii) are subject to the affirmative resolution procedure.”

Member’s explanatory statement

This amendment makes regulations providing for exemptions from identity verification requirements subject to the affirmative resolution procedure.

Kevin Hollinrake 23

Clause 108, page 88, line 33, leave out from “partner” to end of line 35 and insert—

- “(i) confirming that the new registered officer meets the requirements in section 8K(1)(a) and (b), and
- (ii) confirming that the new registered officer meets the requirement in section 8K(1)(c)(i) or confirming that the new registered officer meets the requirement in section 8K(1)(c)(ii), and”

Member’s explanatory statement

This amendment would require a general partner, when changing its registered officer, to specify whether its new registered officer is identify verified or exempt.

Kevin Hollinrake 24

Clause 108, page 88, line 38, at end insert “, and

- (ii) confirming that the individual meets the requirement in section 8K(1)(c)(i) or confirming that the individual meets the requirement in section 8K(1)(c)(ii).”

Member’s explanatory statement

This amendment would require a new registered officer to confirm whether they are identify verified or exempt.

Kevin Hollinrake 25

Clause 108, page 91, line 6, at end insert—

“8PARegulations about change of registered officers’ addresses by registrar

- (1) The Secretary of State may by regulations make provision authorising or requiring the registrar to change a registered service address of a registered officer of a general partner if satisfied that the address does not meet the requirements of section 1141(1) and (2) of the Companies Act 2006.

- (2) In this section—

“registered officer” has the meaning given by section 8K(3);

“registered service address”, in relation to a registered officer, means the address for the time being shown in the register as the registered officer’s current service address.

- (3) The regulations may authorise or require the address to be changed on the registrar’s own motion or on an application by another person.
- (4) The regulations—
 - (a) may include provision corresponding or similar to any provision that may be included in regulations under section 1097B of the Companies Act 2006;
 - (b) must include—
 - (i) provision about appeals corresponding to the provision that must be included in regulations under section 1097B by virtue of subsections (7) and (8) of that section;
 - (ii) provision corresponding to subsection (9) of that section.
- (5) Regulations under this section are subject to the affirmative resolution procedure.”

Member’s explanatory statement

This amendment confers a regulation-making power to enable the registrar to change the registered service address of a registered officer of a general partner in a limited partnership.

Kevin Hollinrake

26

Clause 108, page 91, line 6, at end insert —

“8PB Registered officers: statements about exemption from identity verification

- (1) The Secretary of State may by regulations make provision requiring a relevant statement delivered to the registrar to be accompanied by additional statements or additional information in connection with the subject-matter of the relevant statement.
- (2) In this section “relevant statement” means a statement under any of the following provisions that confirms that a general partner’s registered officer falls within an exemption from identity verification—
 - (a) section 8A(1C)(b) or (1F)(c)(ii);
 - (b) section 8L(3)(a)(ii) or (b)(ii);
 - (c) section 8Q(4)(b) or (7)(c)(ii);
 - (d) section 109(2)(a) or 113(2)(a) of the Economic Crime and Corporate Transparency Act 2022.
- (3) Regulations under this section are subject to the affirmative resolution procedure.”

Member's explanatory statement

This amendment allows the Secretary of State to make regulations requiring statements about identify verification to be accompanied by other statements or information. It mirrors the amendment to the Companies Act 2006 made by clause 64 of the Bill.

Kevin Hollinrake

27

Clause 111, page 92, line 34, at end insert “, and

- (b) confirming that the proposed registered officer meets the requirement in section 8K(1)(c)(i) or confirming that the proposed registered officer meets the requirement in section 8K(1)(c)(ii).”

Member's explanatory statement

This amendment would require a new general partner which is a legal entity to confirm whether its proposed registered officer is identify verified or exempt.

Kevin Hollinrake

28

Clause 111, page 93, line 17, at end insert “, and

- (ii) confirming that the individual meets the requirement in section 8K(1)(c)(i) or confirming that the individual meets the requirement in section 8K(1)(c)(ii).”

Member's explanatory statement

This amendment would require the proposed registered officer for a new general partner which is a legal entity to confirm whether they are identify verified or exempt.

Kevin Hollinrake

29

Clause 111, page 95, line 45, at end insert—

“8V Regulations about change of general partner's addresses by registrar

- (1) The Secretary of State may by regulations make provision authorising or requiring the registrar to—
 - (a) change a registered service address of a general partner in a limited partnership if satisfied that the address does not meet the requirements of section 1141(1) and (2) of the Companies Act 2006;
 - (b) change the address registered as the principal office of a general partner in a limited partnership if satisfied that the address is not in fact their principal office.

(2) In this section—

“address registered as the principal office”, in relation to a general partner, means the address for the time being shown in the register as the address of the general partner’s current principal office;

“registered service address”, in relation to a general partner, means the address for the time being shown in the register as the general partner’s current service address.

- (3) The regulations may authorise or require the address to be changed on the registrar’s own motion or on an application by another person.
- (4) The regulations—
- (a) may include provision corresponding or similar to any provision that may be included in regulations under section 1097B of the Companies Act 2006;
 - (b) must include—
 - (i) provision about appeals corresponding to the provision that must be included in regulations under section 1097B by virtue of subsections (7) and (8) of that section;
 - (ii) provision corresponding to subsection (9) of that section.
- (5) Regulations under this section are subject to the affirmative resolution procedure.”

Member’s explanatory statement

This amendment confers a regulation-making power to enable the registrar to change the registered service address or principal office address of a general partner in a limited partnership.

Kevin Hollinrake

30

Page 97, line 31, leave out Clause 114

Member’s explanatory statement

This amendment leaves out clause 114. It is consequential on Amendments 25 and 29 which confer power to make regulations enabling the registrar to change the service address of a general partner or a general partner’s registered officer.

Kevin Hollinrake

31

Clause 115, page 99, line 1, leave out “10A (inserted by section 114 of this Act)” and insert “10”

Member’s explanatory statement

This amendment is consequential on Amendment 30.

Kevin Hollinrake

32

Clause 116, page 102, leave out lines 6 and 7

Member’s explanatory statement

This amendment means that new section 10E of the Limited Partnerships Act 1907 (confirmation statements) will apply to Scottish limited partnerships. As a consequence, Amendment 33 leaves out the power in clause 117 to amend existing provision about confirmation statements for Scottish limited partnerships.

Kevin Hollinrake

33

Clause 117, page 103, line 2, leave out from beginning to “(review” in line 17 and insert “In regulation 37 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017 (S.I. 2017/694)”

Member’s explanatory statement

See Member’s explanatory statement for Amendment 32.

Kevin Hollinrake

95

Clause 119, page 105, leave out lines 8 and 9 and insert—

“(2B) A limited partnership is dissolved if—

- (a) it ceases to have any general partners,
- (b) it ceases to have any limited partners, or

- (c) each general partner is either insolvent or disqualified under the directors disqualification legislation (see section 8J(3)), irrespective of whether they became insolvent or disqualified before or after this subsection comes into force.”;

Member’s explanatory statement

This amendment would mean that limited partnerships dissolve if all of the general partners are either insolvent or disqualified, rather than only dissolving if they are all insolvent. Together with amendment 96 it would mean that limited partnerships would not dissolve if all of the limited partners are insolvent.

Kevin Hollinrake

96

Clause 119, page 105, line 11, leave out paragraphs (e) to (g) and insert—

“(e) for subsections (3A) and (3B) substitute—

- “(3A) If a limited partnership is dissolved at a time when the partnership has at least one general partner who is—
 - (a) solvent, and
 - (b) not disqualified under the directors disqualification legislation, the general partners at that time who are solvent and are not so disqualified must either wind up the partnership’s affairs or take all reasonable steps to ensure that its affairs are wound up by a person who is not a partner at that time.
- (3B) If a limited partnership is dissolved at a time when the partnership does not have a general partner who is—
 - (a) solvent, and
 - (b) not disqualified under the directors disqualification legislation, the limited partners at that time who are solvent must take all reasonable steps to ensure that the partnership’s affairs are wound up by a person who is not a limited partner at that time.
- (3BA) For enforcement of the duties under subsections (3A) and (3B) see section 25B.”;
- (f) omit subsection (3C).”

Member’s explanatory statement

This amendment means that any solvent general partners who are not disqualified must wind up a dissolved limited partnership or take reasonable steps to ensure it is wound up. If there are no such general partners, the solvent limited partners must take reasonable steps to ensure it is wound up.

Kevin Hollinrake 97

Clause 119, page 105, line 36, leave out subsection (3)

Member's explanatory statement

This amendment is consequential on NC30.

Kevin Hollinrake 34

Clause 122, page 107, line 34, leave out "available for public inspection" and insert "the following material available for public inspection, so far as it forms part of the register of limited partnerships"

Member's explanatory statement

This amendment spells out that the relevant material is only to be made unavailable for public inspection if it forms part of the register of limited partnerships.

Kevin Hollinrake 35

Clause 122, page 107, line 34, at end insert—

“(za) any application or other document delivered to the registrar under section 8PA, 8G or 8V (changes of addresses by registrar) other than an order or direction of the court;”

Member's explanatory statement

This amendment would mean the documents mentioned in it are unavailable for public inspection.

Kevin Hollinrake 36

Clause 122, page 107, leave out lines 35 to 37

Member's explanatory statement

This amendment is consequential on Amendment 30.

Kevin Hollinrake 37

Clause 122, page 108, line 4, at end insert—

“(ba) so much of any statement delivered to the registrar as is required to contain the information mentioned in any of the following provisions (which relate to identity verification)—

section 8A(1C)(b) or (1F)(c)(ii);

section 8L(3)(a)(ii) or (b)(ii);

section 8Q(4)(b) or (7)(c)(ii);”

Member’s explanatory statement

This amendment would make statements relating to identity verification of registered officers unavailable for public inspection.

Kevin Hollinrake 38

Clause 122, page 108, line 7, at end insert—

“(ca) any statement delivered to the registrar by virtue of section 1067A(3) or (4) of the Companies Act 2006 (delivery of documents: identity verification and authorised corporate service providers);”

Member’s explanatory statement

This amendment would make statements required to be made when documents are delivered unavailable for public inspection. The statements either relate to identity verification or to an individual being an authorised corporate service provider or employee of an authorised corporate service provider.

Kevin Hollinrake 39

Clause 122, page 109, line 4, leave out “and”

Member’s explanatory statement

This amendment is consequential on Amendment 40.

Kevin Hollinrake 40

Clause 122, page 109, line 7, at end insert—

“(c) section 22(5) of the Economic Crime (Transparency and Enforcement) Act 2022 (extent of obligation to retain material not available for public inspection).”

Member's explanatory statement

This amendment is consequential on NC17.

Kevin Hollinrake

41

Clause 128, page 117, line 39, leave out from beginning to end of line 16 on page 118

Member's explanatory statement

This amendment is consequential on Amendment 59.

Kevin Hollinrake

42

Clause 131, page 120, line 18, leave out "any Act, whenever passed or made" and insert "either of the following, whenever passed or made—

- (a) an Act;
- (b) Northern Ireland legislation."

Member's explanatory statement

This would allow for consequential amendments to be made to Northern Ireland legislation if the power inserted by clause 131 of the Bill is exercised to apply company law to limited partnerships, for example amendments to the Company Directors Disqualification (Northern Ireland) Order 2002.

Tom Tugendhat

51

Schedule 7, page 206, line 42, leave out "Chapter" and insert "Part"

Member's explanatory statement

This amendment makes a minor technical correction to inserted section 303Z42 of the Proceeds of Crime Act 2002, which relates to the procedure for applying for the forfeiture of cryptoassets.

Tom Tugendhat

52

Schedule 7, page 206, leave out lines 45 to 47 and insert—

- “(3) Where an application is made under section 303Z41 in relation to cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order—
- (a) subsections (4) and (5) apply, and
 - (b) the crypto wallet freezing order is to continue to have effect until the time referred to in subsection (4)(b) or (5).”

Member’s explanatory statement

This amendment amends inserted section 303Z42 of the Proceeds of Crime Act 2002 to provide that a crypto wallet freezing order continues to have effect until the end of any forfeiture proceedings started in respect of cryptoassets held in a crypto wallet that is subject to such a freezing order.

Tom Tugendhat

53

Schedule 7, page 207, line 12, leave out “(4)” and insert “(4)(b)”

Member’s explanatory statement

This amendment is consequential on Amendment 52.

Tom Tugendhat

54

Schedule 7, page 211, line 24, leave out from “applies” to end of line 28 and insert “—

- (a) the magistrates’ court or sheriff decides—
 - (i) to make an order under section 303Z41(4) in relation to some but not all of the cryptoassets to which the application related, or
 - (ii) not to make an order under section 303Z41(4), or
- (b) if the application is transferred in accordance with section 303Z45(1), the High Court or Court of Session decides—
 - (i) to make an order under section 303Z45(3) in relation to some but not all of the cryptoassets to which the application related, or
 - (ii) not to make an order under section 303Z45(3).”

Member’s explanatory statement

This amendment provides that an application under inserted section 303Z46 of the Proceeds of Crime Act 2002 (continuation of crypto wallet freezing order pending appeal) may be made in circumstances where a forfeiture application under section 303Z41 of that Act is transferred in accordance with section 303Z45 of that Act to be heard by the High Court or the Court of Session.

Tom Tugendhat 55

Schedule 7, page 211, line 31, leave out “(1)(a) or (b)” and insert “(1)”

Member’s explanatory statement

This amendment is consequential on Amendment 54.

Tom Tugendhat 56

Schedule 7, page 211, line 37, leave out “under section 303Z47” and insert “(whether under section 303Z47 or otherwise)”

Member’s explanatory statement

This amendment is consequential on Amendment 54.

Tom Tugendhat 57

Schedule 7, page 211, line 39, leave out “(1)(a) or (b)” and insert “(1)”

Member’s explanatory statement

This amendment is consequential on Amendment 54.

Tom Tugendhat 58

Schedule 7, page 213, line 2, leave out “with the approval of” and insert “if the officer is a senior officer or is authorised to do so by”

Member’s explanatory statement

This amendment amends inserted section 303Z48 of the Proceeds of Crime Act 2002 to provide that an enforcement officer may destroy forfeited cryptoassets only if the officer is a senior officer or is authorised to do so by a senior officer.

Tom Tugendhat 59

Schedule 7, page 214, line 44, after “may” insert “, subject to subsection (7A),”

Member’s explanatory statement

This amendment and Amendments 60 and 62 amend inserted section 303Z51 of the Proceeds of Crime Act 2002 to provide that cryptoassets may not be released under that section while forfeiture proceedings are ongoing in respect of those cryptoassets.

Tom Tugendhat 60

Schedule 7, page 215, line 8, after “may” insert “, subject to subsection (7A),”

Member’s explanatory statement

See Amendment 59.

Tom Tugendhat 61

Schedule 7, page 215, line 24, at end insert “or”

Member’s explanatory statement

This amendment makes a minor technical correction to the release condition in inserted section 303Z51(7) of the Proceeds of Crime Act 2002.

Tom Tugendhat 62

Schedule 7, page 215, line 29, at end insert—

“(7A) If an application under section 303Z41 is made for the forfeiture of the cryptoassets, the cryptoassets are not to be released under this section until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.”

Member’s explanatory statement

See Amendment 59.

Tom Tugendhat 63

Schedule 7, page 226, line 18, after “cryptoassets” insert “, or of property which they represent,”

Member’s explanatory statement

This amendment amends inserted section 303Z63 of the Proceeds of Crime Act 2002 (converted cryptoassets: victims and other owners) to provide that the condition in subsection (5)(a) of that section is met where the applicant was deprived of cryptoassets or of property which those cryptoassets represent.

Tom Tugendhat 64

Schedule 7, page 227, leave out lines 1 to 5 and insert—

“(a) if the conditions in this Chapter for the detention of the converted cryptoassets are no longer met, or”

Member’s explanatory statement

This amendment amends the release condition in inserted section 303Z63(8) of the Proceeds of Crime Act 2002 (converted cryptoassets: victims and other owners) to provide that the release

condition is met where the court is satisfied that the conditions in Chapter 3F of Part 5 of that Act for detention of the converted cryptoassets are no longer met.

Tom Tugendhat 65

Schedule 7, page 231, line 3, after “may” insert “, subject to subsection (7A),”

Member’s explanatory statement

This amendment and Amendments 66 and 67 amend inserted section 303Z17A of the Proceeds of Crime Act 2002 to provide that money may not be released under that section while forfeiture proceedings are ongoing in respect of the money.

Tom Tugendhat 66

Schedule 7, page 231, line 13, after “may” insert “, subject to subsection (7A),”

Member’s explanatory statement

See Amendment 65.

Tom Tugendhat 67

Schedule 7, page 231, leave out lines 25 to 36 and insert—

“(7) The release condition is met—

- (a) in relation to money held in a frozen account, if the conditions for making an order under section 303Z3 in relation to the money are no longer met, or
- (b) in relation to money held in a frozen account which is subject to an application for forfeiture under section 303Z14, if the court or sheriff decides not to make an order under that section in relation to the money.

(7A) Money is not to be released under this section—

- (a) if an account forfeiture notice under section 303Z9 is given in respect of the money, until any proceedings in pursuance of the notice (including any proceedings on appeal) are concluded;
- (b) if an application for its forfeiture under section 303Z14 is made, until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.”

Member’s explanatory statement

See Amendment 65. This amendment also replaces the release condition in inserted section 303Z17A(7) of the Proceeds of Crime Act 2002 to include changes for consistency with equivalent provisions in Part 5 of that Act.

Kevin Hollinrake

43

Clause 159, page 144, line 21, at end insert—

“(ba) regulations under section (*registration of qualifying Scottish partnerships*), unless they are regulations under that section that only make provision that corresponds or is similar to provision made or capable of being made by a statutory instrument that is itself subject to annulment in pursuance of a resolution of either House of Parliament;”

Member’s explanatory statement

This provides for regulations under NC22 to be subject to the affirmative procedure unless they only make provision corresponding or similar to provision made by a statutory instrument that is itself subject to the negative procedure.

Kevin Hollinrake

NC1

To move the following Clause—

“Change of addresses of officers of overseas companies by registrar

In section 1046 of the Companies Act 2006 (overseas companies: registration of particulars), after subsection (6) insert—

- “(6A) Where regulations under this section require an overseas company to deliver to the registrar for registration—
- (a) a service address for an officer of the company, or
 - (b) the address of the principal office of an officer of the company, the regulations may make provision corresponding or similar to any provision made by section 1097B or 1097C (rectification of register relating to service addresses or principal office addresses) or to provision that may be made by regulations made under that section.”

Member’s explanatory statement

Where an overseas company is required to provide a service address or principal office address for a director or secretary, this new clause enables regulations to be made conferring power on the registrar to change the address if it does not meet the statutory requirements or is inaccurate.

Kevin Hollinrake

NC2

To move the following Clause—

“Overseas companies: availability of material for public inspection etc

In section 1046 of the Companies Act 2006 (overseas companies: registration of particulars), after subsection (6A) (inserted by section (*Change of addresses of officers of overseas companies by registrar*) of this Act) insert—

- “(6B) Regulations under this section may include provision for information delivered to the registrar under the regulations to be withheld from public inspection.
- (6C) The provision that may be made by regulations under this section includes provision conferring a discretion on the registrar.”

Member’s explanatory statement

Section 1046 of the Companies Act 2006 confers a regulation-making power to require overseas companies to register information. The new clause makes it clear that the regulations can provide for the information to be withheld from public inspection and that they can confer a discretion on the registrar.

Kevin Hollinrake

NC3

To move the following Clause—

“Registered addresses of an overseas company

- (1) The Companies Act 2006 is amended as follows.
- (2) After section 1048 insert—

“1048A Registered addresses of an overseas company

- (1) The Secretary of State may by regulations make provision requiring an overseas company that is required to register particulars under section 1046 to deliver to the registrar for registration—
- (a) a statement specifying an address in the United Kingdom that is an appropriate address for the company;
- (b) a statement specifying an appropriate email address for the company.
- (2) The regulations may include provision—
- (a) allowing an overseas company to change the address or email address for the time being registered for it under the regulations;
- (b) requiring an overseas company to ensure that the address or email address for the time being registered for it under the regulations is an appropriate address or appropriate email address.
- (3) The regulations may include—
- (a) provision for information contained in a statement specifying an appropriate email address to be withheld from public inspection;

- (b) provision corresponding or similar to any provision made by section 1097A (rectification of register relating to a company's registered office) or to provision that may be made by regulations made under that section.
- (4) In this section—
 - “appropriate address” has the meaning given by section 86(2);
 - “appropriate email address” has the meaning given by section 88A(2).
- (5) Regulations under this section are subject to negative resolution procedure.”
- (3) In section 1139 (service of documents on company), for subsections (2) and (3) substitute—
 - “(2) A document may be served on an overseas company whose particulars are registered under section 1046—
 - (a) by leaving it at, or sending it by post to, the company's registered address, or
 - (b) by leaving it at, or sending it by post to, the registered address of any person resident in the United Kingdom who is authorised to accept service of documents on the company's behalf.
 - (3) In subsection (2) “registered address”—
 - (a) in relation to the overseas company, means the address for the time being registered for the company under regulations under section 1048A(1)(a);
 - (b) in relation to a person other than the overseas company, means any address for the time being shown as a current address in relation to that person in the part of the register available for public inspection.””

Member's explanatory statement

Regulations under this new clause can require an overseas company to provide and maintain an appropriate address and appropriate email address. Broadly speaking, an address is appropriate if documents sent there will reach the company.

Kevin Hollinrake

NC4

To move the following Clause—

“Overseas companies: identity verification of directors

After section 1048A of the Companies Act 2006 (inserted by section *(Registered addresses of overseas companies)* of this Act) insert—

“1048B Identity verification of directors

- (1) This section applies in relation to an overseas company that is required to register particulars under section 1046.
- (2) The Secretary of State may by regulations make provision for the purpose of ensuring that each individual who is a director of such a company—
 - (a) is an individual whose identity is verified (see section 1110A), or

- (b) falls within any exemption from identity verification that may be provided for by the regulations.
- (3) The regulations may include provision—
 - (a) requiring the delivery of statements or other information to the registrar;
 - (b) for statements or other information delivered to the registrar under the regulations to be withheld from public inspection;
 - (c) applying section 167M (prohibition on director acting unless ID verified), with or without modifications;
 - (d) applying section 1110D (exemption from identity verification: national security grounds), with or without modifications.
- (4) Regulations under this section are subject to negative resolution procedure.””

Member’s explanatory statement

Regulations under this new clause can impose identity verification requirements on the directors of overseas companies, corresponding to the requirements introduced by the Bill for directors of UK companies.

Kevin Hollinrake

NC5

To move the following Clause—

“Rectification of register: service addresses

- (1) The Companies Act 2006 is amended as follows.
- (2) After section 1097A insert—

“1097B Rectification of register: service addresses

- (1) The Secretary of State may by regulations make provision authorising or requiring the registrar to change a registered service address of a relevant person if satisfied that the address does not meet the requirements of section 1141(1) and (2).
- (2) In this section—

“registered service address”, in relation to a relevant person, means the address for the time being shown in the register as the person’s current service address;

“relevant person” means—

- (a) a director of a company that is not an overseas company,
- (b) a secretary or one of the joint secretaries of a company that is not an overseas company, or

- (c) a registrable person or registrable relevant legal entity in relation to a company (within the meanings given by section 790C).
- (3) The regulations may authorise or require the address to be changed on the registrar's own motion or on an application by another person.
- (4) The regulations must provide for the change in the address to be effected by the registrar proceeding as if the company had given notice under section 167H, 279H or 790LC of the change.
- (5) The regulations may make provision as to—
 - (a) who may make an application,
 - (b) the information to be included in and documents to accompany an application,
 - (c) the registrar requiring the company or an applicant to provide information for the purposes of determining anything under the regulations,
 - (d) the notice to be given of an application or that the registrar is considering the exercise of powers under the regulations,
 - (e) the notice to be given of any decision under the regulations,
 - (f) the period in which objections to an application may be made,
 - (g) how the registrar is to determine whether a registered service address meets the requirements of section 1141(1) and (2), including in particular the evidence, or descriptions of evidence, which the registrar may without further enquiry rely on to be satisfied that the address meets those requirements,
 - (h) the referral by the registrar of any question for determination by the court,
 - (i) the registrar requiring the company to provide an address to be registered as the relevant person's service address,
 - (j) the nomination by the registrar of an address (a "default address") to be registered as the relevant person's service address (which need not meet the requirements of section 1141(1) and (2)),
 - (k) the period for which the default address is permitted to be the relevant person's registered service address, and
 - (l) when the change of address takes effect and the consequences of registration of the change (including provision similar or corresponding to section 1140(5)).
- (6) The provision made by virtue of subsection (5)(k) may in particular include provision creating summary offences punishable with a fine not exceeding level 3 on the standard scale or, for continued

contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

- (7) The regulations must confer a right on the company to appeal to the court against any decision to change the relevant person's registered service address under the regulations.
- (8) If the regulations enable a person to apply for a registered service address to be changed, they must also confer a right on the applicant to appeal to the court against a refusal of the application.
- (9) On an appeal, the court must direct the registrar to register such address as the relevant person's registered service address as the court considers appropriate in all the circumstances of the case.
- (10) The regulations may make further provision about an appeal and in particular—
 - (a) provision about the time within which an appeal must be brought and the grounds on which an appeal may be brought;
 - (b) further provision about directions by virtue of subsection (9).
- (11) The regulations may include such provision applying (including applying with modifications), amending or repealing an enactment contained in this Act as the Secretary of State considers necessary or expedient in consequence of any provision made by the regulations.
- (12) Regulations under this section are subject to affirmative resolution procedure."
- (3) In section 1087 (material not available for public inspection), in subsection (1)(ga)—
 - (a) after "1097A" insert ", 1097B";
 - (b) for "company registered office" substitute "registered office, service address".

Member's explanatory statement

This new clause confers a regulation-making power to enable the registrar to change a person's registered service address. It is based on section 1097A of the Companies Act 2006, which makes similar provision in relation to a company's registered office.

Kevin Hollinrake

NC6

To move the following Clause—

"Rectification of register: principal office addresses

- (1) The Companies Act 2006 is amended as follows.
- (2) After section 1097B (inserted by section (*Rectification of register: service addresses*) of this Act) insert—

"1097C Rectification of register: principal office addresses

- (1) The Secretary of State may by regulations make provision authorising or requiring the registrar to change the address registered as the

principal office of a relevant person if satisfied that the address is not in fact their principal office.

(2) In this section—

“address registered as the principal office”, in relation to a relevant person, means the address for the time being shown in the register as the address of the person’s current principal office;

“relevant person” means—

- (a) a director of a company that is not an overseas company,
 - (b) a secretary or one of the joint secretaries of a company that is not an overseas company,
 - (c) a registrable relevant legal entity in relation to a company (within the meaning given by section 790C), or
 - (d) a registrable person in relation to a company (within the meaning given by section 790C) who falls within section 790C(12).
- (3) The regulations may authorise or require the address to be changed on the registrar’s own motion or on an application by another person.
- (4) The regulations must provide for the change in the address to be effected by the registrar proceeding as if the company had given notice under section 167H, 279H or 790LC of the change.
- (5) The regulations may make provision as to—
- (a) who may make an application,
 - (b) the information to be included in and documents to accompany an application,
 - (c) the registrar requiring the company or an applicant to provide information for the purposes of determining anything under the regulations,
 - (d) the notice to be given of an application or that the registrar is considering the exercise of powers under the regulations,
 - (e) the notice to be given of any decision under the regulations,
 - (f) the period in which objections to an application may be made,
 - (g) how the registrar is to determine whether an address registered as the principal office of a relevant person is in fact the person’s principal office, including in particular the evidence, or descriptions of evidence, which the registrar may without further enquiry rely on to be satisfied that the address meets those requirements,
 - (h) the referral by the registrar of any question for determination by the court,
 - (i) the registrar requiring the company to provide an address to be registered as the principal office of the relevant person,
 - (j) the nomination by the registrar of an address (a “default address”) to be registered as the principal office of the relevant person (which need not be the relevant person’s actual principal office),
 - (k) the period for which the default address is permitted to be the address registered as the principal office of the relevant person, and

- (l) when the change of address takes effect and the consequences of registration of the change.
- (6) The provision made by virtue of subsection (5)(k) may in particular include provision creating summary offences punishable with a fine not exceeding level 3 on the standard scale or, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (7) The regulations must confer a right on the company to appeal to the court against any decision to change the address registered as the principal office of the relevant person under the regulations.
- (8) If the regulations enable a person to apply for the address registered as the principal office of a relevant person to be changed, the regulations must also confer a right on the applicant to appeal to the court against a refusal of the application.
- (9) On an appeal, the court must direct the registrar to register such address as the principal office of the relevant person as the court considers appropriate in all the circumstances of the case.
- (10) The regulations may make further provision about an appeal and in particular—
 - (a) provision about the time within which an appeal must be brought and the grounds on which an appeal may be brought;
 - (b) further provision about directions by virtue of subsection (9).
- (11) The regulations may include such provision applying (including applying with modifications), amending or repealing an enactment contained in this Act as the Secretary of State considers necessary or expedient in consequence of any provision made by the regulations.
- (12) Regulations under this section are subject to affirmative resolution procedure.”
- (3) In section 1087 (material not available for public inspection), in subsection (1)(ga)—
 - (a) after “1097B” (inserted by section (*Rectification of register: service addresses*) of this Act) insert “or 1097C”;
 - (b) after “service address” (inserted by section (*Rectification of register: service addresses*) of this Act) insert “or principal office address”.

Member’s explanatory statement

This new clause confers a regulation-making power to enable the registrar to change the address of a person’s registered principal office. It is based on section 1097A of the Companies Act 2006, which makes similar provision in relation to a company’s registered office.

Kevin Hollinrake

NC7

To move the following Clause—

“Power to require businesses to report discrepancies

- (1) The Companies Act 2006 is amended as follows.

- (2) In section 1059A (scheme of Part 35), in subsection (4), at the appropriate place insert—

“section 1110E (power to require businesses to report discrepancies),”.

- (3) After section 1110D (inserted by section 65 of this Act) insert—

“Discrepancy reporting

1110E Power to require businesses to report discrepancies

- (1) The Secretary of State may by regulations impose requirements on a person who is carrying on business in the United Kingdom (a “relevant person”)—
- (a) to obtain specified information about a customer (or prospective customer)—
- (i) before entering into a business relationship with them, or
- (ii) during a business relationship with them;
- (b) to identify discrepancies between information so obtained and information made publicly available by the registrar, and
- (c) to report any discrepancies to the registrar.
- (2) The regulations may require the relevant person, when reporting discrepancies, to provide such other information as may be required by the regulations (including information about the relevant person).
- (3) The regulations may provide for reports or other information delivered to the registrar under the regulations to be withheld from public inspection.
- (4) The regulations may create offences in relation to failures to comply with requirements imposed by the regulations.
- (5) The regulations may not provide for an offence created by the regulations to be punishable with imprisonment for a period exceeding—
- (a) in the case of conviction on indictment, 2 years;
- (b) in the case of summary conviction, 3 months.
- (6) In this section “customer”, in relation to a person carrying out estate agency work, includes a purchaser (as well as a seller).
- (7) Regulations under this section are subject to affirmative resolution procedure.”

Member's explanatory statement

This new clause allows the Secretary of State to require businesses to obtain information and carry out checks for the purposes of identifying discrepancies between that information and information made publicly available by registrar.

Kevin Hollinrake

NC8

To move the following Clause—

“Service of documents on people with significant control

In section 1140 of the Companies Act 2006 (service of documents on directors, secretaries and others), in subsection (2), after paragraph (a) insert—

- “(aa) a person who is a registrable person or a registrable relevant legal entity in relation to a company (within the meanings given by section 790C);”.

Member's explanatory statement

This new clause allows documents to be served on those with significant control over a company at the registered address that appears for the person on the register.

Kevin Hollinrake

NC9

To move the following Clause—

“National security exemption from identity verification

After section 29 of the Limited Partnerships Act 1907 (inserted by section 129 of this Act) insert—

*“National security exemption from identity verification***29A National security exemption from identity verification**

- (1) The Secretary of State may, by written notice given to a person, provide for one or more of the effects listed in subsection (2) to apply in relation to the person, if satisfied that to do so is necessary—
 - (a) in the interests of national security, or
 - (b) for the purposes of preventing or detecting serious crime.
- (2) The effects for which the notice may provide are that—
 - (a) section 8A(1C)(b) and (1F)(c)(ii) do not apply in relation to a statement naming the person as a proposed general partner's proposed registered officer;
 - (b) section 8L(3)(a)(ii) and (b)(ii) do not apply in relation to a notice naming the person as a general partner's new registered officer;
 - (c) sections 8Q(4)(b) and (7)(c)(ii) do not apply in relation to a notice naming the person as a general partner's proposed registered officer;
 - (d) where the person is a general partner's registered officer, section 8K(1)(c) does not impose any obligation on the general partner;

- (e) section 26 (documents to be delivered by authorised corporate service providers) does not apply in relation to the delivery of documents to the registrar by the person on their own behalf or on behalf of another.
- (3) For the purposes of subsection (1)(b)—
 - (a) “crime” means conduct which—
 - (i) constitutes a criminal offence, or
 - (ii) is, or corresponds to, any conduct which, if it all took place in any one part of the United Kingdom, would constitute a criminal offence, and
 - (b) crime is “serious” if—
 - (i) the offence which is or would be constituted by the conduct is an offence for which the maximum sentence (in any part of the United Kingdom) is imprisonment for 3 years or more, or
 - (ii) the conduct involves the use of violence, results in substantial financial gain or is conduct by a large number of persons in pursuit of a common purpose.”

Member’s explanatory statement

This new clause allows the Secretary of State to exempt a person from certain requirements that relate to identity verification if satisfied that doing so is necessary for national security related reasons.

Kevin Hollinrake

NC10

To move the following Clause—

“Power to amend disqualification legislation in relation to relevant entities: GB

After section 22H of the Company Directors Disqualification Act 1986 insert—

“22I Power to amend application of Act in relation to relevant entities

- (1) The Secretary of State may by regulations amend this Act for the purpose of applying, or modifying the application of, any of its provisions in relation to relevant entities.
- (2) For that purpose, the regulations may in particular—
 - (a) extend the company disqualification conditions to include corresponding conditions relating to a relevant entity;
 - (b) limit the company disqualification conditions to remove conditions relating to a relevant entity;
 - (c) modify which company disqualification conditions can, in combination with each other, result in a person being disqualified under this Act;

- (d) provide for any of the company disqualification conditions to result in or contribute to a person being disqualified from acting in a role or doing something in relation to a relevant entity.
- (3) In this section “the company disqualification conditions” means the conditions that can result in or contribute to a person being disqualified under this Act from acting in a role or doing something in relation to any entity.
- (4) In this section a “relevant entity” means—
 - (a) a limited partnership registered under the Limited Partnerships Act 1907;
 - (b) a limited liability partnership registered under the Limited Liability Partnerships Act 2000;
 - (c) a partnership, other than a limited partnership, that is—
 - (i) constituted under the law of Scotland, and
 - (ii) a qualifying partnership within the meaning given by regulation 3 of the Partnerships (Accounts) Regulations 2008.
- (5) Regulations under this section may make—
 - (a) consequential, supplementary, incidental, transitional or saving provision;
 - (b) different provision for different purposes.
- (6) The provision which may be made by virtue of subsection (5)(a) includes provision amending provision made by or under either of the following, whenever passed or made—
 - (a) an Act;
 - (b) Northern Ireland legislation.
- (7) Regulations under this section are to be made by statutory instrument.
- (8) 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 allows the Secretary of State to make regulations applying the CDDA in relation to relevant entities, meaning that a person’s conduct in relation to relevant entities would lead to disqualification, and disqualifications in other circumstances would prohibit a person from acting in relation to relevant entities.

Kevin Hollinrake

NC11

To move the following Clause—

“Power to amend disqualification legislation in relation to relevant entities: NI

- (1) The Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) is amended as follows.

- (2) In Article 2(2) (interpretation), for the definition of “regulations” substitute—

““regulations”, except in Articles 13D and 25D, means regulations made by the Department subject (except in Article 23(3)) to negative resolution;”.

- (3) After Article 25C insert—

“25D Power to amend application of Order in relation to relevant entities

- (1) The Secretary of State may by regulations amend this Order for the purpose of applying, or modifying the application of, any of its provisions in relation to relevant entities.
- (2) For that purpose, the regulations may in particular—
- (a) extend the company disqualification conditions to include corresponding conditions relating to a relevant entity;
 - (b) limit the company disqualification conditions to remove conditions relating to a relevant entity;
 - (c) modify which company disqualification conditions can, in combination with each other, result in a person being disqualified under this Order;
 - (d) provide for any of the company disqualification conditions to result in or contribute to a person being disqualified from acting in a role or doing something in relation to a relevant entity.
- (3) In this Article “the company disqualification conditions” means the conditions that can result in or contribute to a person being disqualified under this Order from acting in a role or doing something in relation to any entity.
- (4) In this Article a “relevant entity” means—
- (a) a limited partnership registered under the Limited Partnerships Act 1907;
 - (b) a limited liability partnership registered under the Limited Liability Partnerships Act 2000;
 - (c) a partnership, other than a limited partnership, that is—
 - (i) constituted under the law of Scotland, and
 - (ii) a qualifying partnership within the meaning given by regulation 3 of the Partnerships (Accounts) Regulations 2008.
- (5) Regulations under this Article may make consequential, supplementary, incidental, transitional or saving provision.
- (6) The provision which may be made by virtue of paragraph (5) includes provision amending provision made by or under either of the following, whenever passed or made—
- (a) an Act;
 - (b) Northern Ireland legislation.
- (7) Regulations under this Article are to be made by statutory instrument.
- (8) A statutory instrument containing regulations under this Article 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 allows the Secretary of State to make regulations applying the CDD(NI)O 2002 in relation to relevant entities, meaning that a person's conduct in relation to relevant entities would lead to disqualification, and disqualifications in other circumstances would prohibit a person from acting in relation to relevant entities.

Kevin Hollinrake

NC12

To move the following Clause—

"Required information about overseas entities: address information

In the following provisions of Schedule 1 to the Economic Crime (Transparency and Enforcement) Act 2022 (which refer to an entity's registered or principal office) omit "registered or"—

paragraph 2(1)(c);

paragraph 5(1)(b);

paragraph 6(1)(d);

paragraph 7(1)(b)."

Member's explanatory statement

This new clause would mean that the required information that must be provided about an overseas entity, a corporate registrable beneficial owner or managing officer includes its principal office in all cases, rather than there being an option to provide its registered or principal office.

Kevin Hollinrake

NC13

To move the following Clause—

"Registration of information about land

In Schedule 1 to the Economic Crime (Transparency and Enforcement) Act 2022 (required information), in paragraph 2—

(a) in sub-paragraph (1), after paragraph (g) insert—

- "(h) if the entity is the registered proprietor of one or more qualifying estates in land in England and Wales, the title number of each of them;
- (i) if the entity is the registered owner of one or more qualifying estates in Northern Ireland, the folio number in respect of each of them;
- (j) if the entity is—
 - (i) entered as proprietor in the proprietorship section of the title sheet for one or more plots of land that are registered in the Land Register of Scotland, or
 - (ii) the tenant under one or more leases registered in the Land Register of Scotland,

the title number of the title sheet, in respect of each of them, in which the entity's interest is registered.";

(b) after sub-paragraph (2) insert—

“(3) In sub-paragraph (1)(h)—

“registered proprietor”, in relation to a qualifying estate, means the person entered as proprietor of the estate in the register of title kept by the Chief Land Registrar;

“qualifying estate” has the meaning given by paragraph 1 of Schedule 4A to the Land Registration Act 2002.

(4) In sub-paragraph (1)(i)—

“registered owner”, in relation to a qualifying estate, means the person registered in the register kept under the Land Registration Act (Northern Ireland) 1970 (c. 18 (N.I.)) as the owner of the estate;

“qualifying estate” has the meaning given by paragraph 1 of Schedule 8A to the Land Registration Act (Northern Ireland) 1970.”

(5) In sub-paragraph (1)(j)—

(a) “lease”, “plot of land” and “proprietor” have the meanings given by section 113(1) of the Land Registration etc. (Scotland) Act 2012;

(b) the reference to an entity’s being entered as proprietor in the proprietorship section of a title sheet is a reference to the name of the entity being so entered.””

Member’s explanatory statement

This new clause requires an overseas entity, when applying for registration in the register of overseas entities or providing an update, to include the title number etc for relevant interests in land held by it. For entities already registered, it will operate when they next provide an update.

Kevin Hollinrake

NC14

To move the following Clause—

“Registration of information about managing officers: age limits

(1) Schedule 1 to the Economic Crime (Transparency and Enforcement) Act 2022 (applications: required information) is amended as follows.

(2) In paragraph 6(1), after paragraph (f) insert—

“(g) if the officer is under the age of 16 years old, the name and contact details of an individual who is at least 16 years old and is willing to be contacted about the officer.”

(3) In paragraph 7(1), for paragraph (g) substitute—

“(g) the name and contact details of an individual who is at least 16 years old and is willing to be contacted about the officer.””

Member’s explanatory statement

This new clause means that, where an application for registration as an overseas entity is required to provide details of a managing officer, there will be a requirement to include the name of an individual who is at least 16 years old and is willing to be contacted about the officer (unless the officer is an individual of at least that age).

Kevin Hollinrake

NC15

To move the following Clause—

“Registrable beneficial owners: cases involving trusts

- (1) Schedule 2 to the Economic Crime (Transparency and Enforcement) Act 2022 (registrable beneficial owners) is amended in accordance with subsections (2) to (5).
- (2) In paragraph 3 (legal entities), in paragraph (b), after “(see Part 3)” insert “or is a beneficial owner of the overseas entity by virtue of being a trustee”.
- (3) In paragraph 8 (beneficial owners exempt from registration), after paragraph (b) insert—
 - “(ba) the person is not a beneficial owner of the overseas entity by virtue of being a trustee,”.
- (4) For the heading of Part 6 substitute “Powers to amend this Schedule”.
- (5) Before paragraph 25 insert—

“Expansion of meaning of “registrable beneficial owner” where trusts in view

- 24A (1) The Secretary of State may by regulations amend this Schedule so as to expand the description of persons who are registrable beneficial owners of an overseas entity in circumstances where the overseas entity is part of a chain of entities that includes a trustee.
- (2) For these purposes an overseas entity is part of a chain of entities that includes a trustee if there is a legal entity which is a beneficial owner of it by virtue of being a trustee.
 - (3) Regulations under this paragraph are subject to the affirmative resolution procedure.

Power to amend thresholds etc”.

- (6) Regulation 14 of the Register of Overseas Entities (Delivery, Protection and Trust Services) Regulations 2022 (S.I. 2022/870) (description of legal entity subject to its own disclosure requirements) is revoked.”

Member’s explanatory statement

This new clause expands the definition of “registrable beneficial owner” in Part 1 of the Economic Crime (Transparency and Enforcement) Act 2022 in relation to an entity one of whose beneficial owners is a trustee. There is also a power to further expand the definition.

Kevin Hollinrake

NC16

To move the following Clause—

“Material unavailable for public inspection: verification information

In section 16 of the Economic Crime (Transparency and Enforcement) Act 2022 (verification of registrable beneficial owners and managing officers), in subsection (2), after paragraph (c) insert—

- “(d) requiring the registrar not to make available for public inspection certain information delivered to the registrar by virtue of the regulations.”

Member’s explanatory statement

Section 16 of the Economic Crime (Transparency and Enforcement) Act 2022 confers power to make regulations about identity verification. This new clause allows the regulations to provide that information provided under the regulations is protected from public inspection.

Kevin Hollinrake

NC17

To move the following Clause—

“Material unavailable for public inspection

For sections 22 to 24 of the Economic Crime (Transparency and Enforcement) Act 2022 substitute—

“22 Material unavailable for inspection

- (1) The following material must not, so far as it forms part of the register, be made available by the registrar for public inspection—
- (a) so much of any application or other document delivered to the registrar under section 4, 7 or 9 as is required to contain—
- (i) protected date of birth information;
 - (ii) protected residential address information;
 - (iii) protected trusts information;
 - (iv) the name or contact details of an individual provided for the purposes of section 4(1)(d), 7(1)(e) or 9(1)(f) or paragraph 6(1)(g) or 7(1)(g) of Schedule 1;
 - (v) an overseas entity’s email address (see paragraph 2(1)(e) of Schedule 1);
 - (vi) any title numbers or folio numbers in respect of land (see paragraph 2(1)(h), (i) and (j) of Schedule 1);
- (b) any information that regulations under section 16 provide is not to be made available for public inspection;
- (c) the following—
- (i) any application or other document delivered to the registrar under regulations under section 25 (regulations protecting material), other than information provided by virtue of section 25(4);

- (ii) any information which regulations under section 25 require not to be made available for public inspection;
- (d) any application or other document delivered to the registrar under section 28 (administrative removal of material from the register);
- (e) any court order under section 30 (rectification of the register under court order) that the court has directed under section 31 is not to be made available for public inspection;
- (f) any statement delivered to the registrar by virtue of section 1067A(3) or (4) of the Companies Act 2006 (delivery of documents: identity verification requirements etc);
- (g) any statement made in accordance with regulations made by virtue of section 1082(2)(c) of the Companies Act 2006 (statement of unique identifier);
- (h) any document provided to the registrar under section 1092A of the Companies Act 2006 (power to require further information);
- (i) any email address, identification code or password deriving from a document delivered for the purpose of authorising or facilitating electronic filing procedures or providing information by telephone;
- (j) any record of the information contained in a document (or part of a document) mentioned in any of the previous paragraphs of this subsection;
- (k) any other material excluded from public inspection by or under any other enactment.

(2) In this section—

“protected date of birth information” means information as to the day of the month (but not the month or year) on which an individual who is a registrable beneficial owner or managing officer of an overseas entity was born;

“protected residential address information” means information as to the usual residential address of an individual who is a registrable beneficial owner or managing officer of an overseas entity;

“protected trusts information” means the required information about a trust (see sections 4(3), 7(3) and (4) and 9(3) and (4).

- (3) Information about a registrable beneficial owner or managing officer does not cease to be protected date of birth information or protected residential address information when they cease to be a registrable beneficial owner or managing officer.
- (4) Where subsection (1), or a provision referred to in subsection (1), imposes a restriction by reference to material deriving from a particular description of document (or part of a document), that does not affect the availability for public inspection of the same information contained in material derived from another description of document (or part of a document) in relation to which no such restriction applies.
- (5) The registrar need not retain material to which subsection (1) applies for longer than appears to the registrar reasonably necessary for the purposes for which the material was delivered to the registrar.

23 Disclosure of protected information

- (1) The registrar must not disclose protected date of birth information, protected residential address information or protected trusts information unless—
 - (a) the disclosure is permitted by section 1110F of the Companies Act 2006 (general powers of disclosure by the registrar), or
 - (b) the information is required to be made available for public inspection (as a result of being contained in a document, part of a document, or record to which section 22(1) does not apply).
- (2) In this section the following have the meaning given by section 22(2)—

“protected date of birth information”;

“protected residential address information”;

“protected trusts information”.”

Member’s explanatory statement

This new clause replicates for the register of overseas entities a number of changes made by the Bill in relation to companies. It also extends the list of information unavailable for public inspection.

Kevin Hollinrake

NC18

To move the following Clause—

“Protection of information

For section 25 of the Economic Crime (Transparency and Enforcement) Act 2022 substitute—

“25 Power to make regulations protecting material

- (1) The Secretary of State may by regulations make provision requiring the registrar, on application—
 - (a) not to make available for public inspection any information on the register relating to an individual;
 - (b) to refrain from disclosing information on the register relating to an individual except in specified circumstances;
 - (c) not to make available for public inspection any address on the register that is not information to which paragraph (a) applies;
 - (d) to refrain from disclosing any such address except in specified circumstances.
- (2) The regulations may make provision as to—
 - (a) who may make an application;
 - (b) the grounds on which an application may be made;
 - (c) the information to be included in and documents to accompany an application;
 - (d) the notice to be given of an application and of its outcome;
 - (e) how an application is to be determined;

- (f) the duration of, and procedures for revoking, any restrictions on the making of information available for public inspection or its disclosure.
- (3) Provision under subsection (2)(e) or (2)(f) may in particular—
 - (a) confer a discretion on the registrar;
 - (b) provide for a question to be referred to a person other than the registrar for the purposes of determining the application or revoking the restrictions.
- (4) Regulations under subsection (1)(a) or (1)(c) may provide that information is not to be made unavailable for public inspection unless the person to whom it relates provides such alternative information as may be specified.
- (5) The circumstances that may be specified under subsection (1)(b) or (d) by way of an exception to a restriction on disclosure include circumstances where the court has made an order, in accordance with the regulations, authorising disclosure.
- (6) Regulations under subsection (1)(b) or (d) may not require the registrar to refrain from disclosing information under section 1110F of the Companies Act 2006 (general powers of disclosure by the registrar).
- (7) Regulations under this section may impose a duty on the registrar to publish, in relation to such periods as may be specified—
 - (a) details of how many applications have been made under the regulations and how many of them have been allowed, and
 - (b) such other details in connection with applications under the regulations as may be specified in the regulations.
- (8) Regulations under this section are subject to affirmative resolution procedure.””

Member’s explanatory statement

This new clause replicates for the register of overseas entities the provision made by clause 87 of the Bill in relation to companies.

Kevin Hollinrake

NC19

To move the following Clause—

“Resolving inconsistencies in the register

- (1) Section 27 of the Economic Crime (Transparency and Enforcement) Act 2022 (resolving inconsistencies in the register) is amended as follows.
- (2) For subsections (1) and (2) substitute—
 - “(1) Where it appears to the registrar that the information contained in a document delivered to the registrar by an overseas entity in connection with the register is inconsistent with other information contained in records kept by the registrar under section 1080 of the Companies Act 2006, the registrar may give notice to the overseas entity to which the document relates—
 - (a) stating in what respects the information contained in it appears to be inconsistent with other information in records kept by the registrar under section 1080 of the Companies Act 2006, and
 - (b) requiring the overseas entity, within the period of 14 days beginning with the date on which the notice is issued, to take all such steps as are reasonably open to it to resolve the inconsistency by delivering replacement or additional documents or in any other way.
 - (2) The notice must state the date on which it is issued.”
 - (3) In the heading, omit “in the register”.

Member’s explanatory statement

This new clause makes changes for the purpose of resolving inconsistencies in information relating to overseas entities that corresponds to the changes made by clause 81 of the Bill in relation to companies.

Kevin Hollinrake

NC20

To move the following Clause—

“Administrative removal of material from register

- (1) In the Economic Crime (Transparency and Enforcement) Act 2022—
 - (a) for section 28 substitute—

“28 Administrative removal of material from the register

- (1) The registrar may remove from the register anything that appears to the registrar to be—
 - (a) a document, or material derived from a document, accepted under section 1073 of the Companies Act 2006 (power to accept documents not meeting requirements for proper delivery), or

- (b) unnecessary material as defined by section 1074 of the Companies Act 2006.
- (2) The power to remove material from the register under this section may be exercised—
 - (a) on the registrar’s own motion, or
 - (b) on an application made in accordance with regulations under section 28A(2).
- (3) The Secretary of State may by regulations provide that the registrar’s power to remove material from the register under this section following an application is limited to material of a description specified in the regulations.
- (4) Regulations under this section are subject to the negative resolution procedure.

28A Further provision about removal of material from the register

- (1) The Secretary of State must by regulations make provision for notice to be given in accordance with the regulations where material is removed from the register under section 28 otherwise than on an application.
- (2) The Secretary of State must by regulations make provision in connection with the making and determination of applications for the removal of material from the register under section 28.
- (3) The provision that may be made under subsection (2) includes provision as to—
 - (a) who may make an application,
 - (b) the information to be included in and documents to accompany an application,
 - (c) the notice to be given of an application and of its outcome,
 - (d) a period in which objections to an application may be made, and
 - (e) how an application is to be determined, including provision as to evidence that may be relied upon by the registrar for the purposes of satisfying the test in section 28(1).
- (4) The provision that may be made by virtue of subsection (3)(e) includes provision as to circumstances in which—
 - (a) evidence is to be treated by the registrar as conclusive proof that the test in section 28(1) is met, and
 - (b) the power of removal must be exercised.
- (5) Regulations under this section are subject to the negative resolution procedure.”;
 - (b) omit sections 29 and 29A (application to rectify register and resolution of discrepancies).
- (2) In section 1073 of the Companies Act 2006 (power to accept documents not meeting requirements for proper delivery), in subsection (6)(a), after “section 1094A(1)” (inserted by section 82 of this Act) insert “or any corresponding provision of any other enactment”.

Member's explanatory statement

This new clause replicates for the register of overseas entities the changes that clause 82 of the Bill makes in relation to the register of companies.

Kevin Hollinrake

NC21

To move the following Clause—

“Enforcement of requirement to register: updated language about penalties etc

- (1) The Economic Crime (Transparency and Enforcement) Act 2022 is amended as follows.
- (2) In section 34 (power to require overseas entity to register if it owns certain land)—
 - (a) in subsection (4)(a), for “the maximum summary term for either-way offences” substitute “a term not exceeding the general limit in a magistrates’ court”;
 - (b) omit subsection (5).
- (3) In section 36 (meaning of “daily default fine”) after “applies for” insert “the”.

Member's explanatory statement

This new clause updates the penalty provision for the offence in section 34 of the Economic Crime (Transparency and Enforcement) Act 2022 to reflect changes made by the Judicial Review and Courts Act 2022. This ensures consistency with the language that clauses 136 and 137 introduce into the 2022 Act.

Kevin Hollinrake

NC22

To move the following Clause—

“Registration of qualifying Scottish partnerships

- (1) The Secretary of State may by regulations—
 - (a) make provision requiring the delivery to the registrar of information in connection with a qualifying Scottish partnership;
 - (b) make provision for the purpose of ensuring that a partner of a qualifying Scottish partnership has at least one managing officer who is—
 - (i) an individual whose identity is verified (within the meaning of section 1110A of the Companies Act 2006), or
 - (ii) falls within any exemption from identity verification that may be provided for by the regulations;
 - (c) make provision in relation to qualifying Scottish partnerships that corresponds or is similar to any provision relating to companies or limited partnerships made by or under, or capable of being made under, any Act.

- (2) The regulations may create summary offences, punishable with a fine, in connection with any provision made by virtue of subsection (1)(a) or (b).
- (3) Do not read subsection (2) as impliedly limiting the provision that can be made by virtue of subsection (1)(c).
- (4) The provision that may be made by virtue subsection (1)(c) includes provision for the purpose mentioned in subsection (1)(b).
- (5) The provision which may be made by regulations under subsection (1) by virtue of section 159(1)(a) includes provision amending, repealing or revoking provision made by or under any Act, whenever passed or made.
- (6) In this section—

“managing officer” has the meaning given by section 3(1) of the Limited Partnerships Act 1907;

“qualifying Scottish partnership” means a partnership, other than a limited partnership, that—

- (a) is constituted under the law of Scotland, and
- (b) is a qualifying partnership with the meaning given by regulation 3 of the Partnership (Accounts) Regulations 2008;

“the registrar” means registrar of companies for Scotland.”

Member’s explanatory statement

This new clause allows regulations to be made about the registration of certain Scottish partnerships and to apply law relating to companies or limited partnerships. It would allow The Scottish Partnerships (Register of People with Significant Control) Regulations 2017 to be amended or replaced in relation to those partnerships.

Tom Tugendhat

NC23

To move the following Clause—

“Cryptoassets: terrorism

- (1) Part 1 of Schedule (*Cryptoassets: terrorism*) amends the Anti-terrorism, Crime and Security Act 2001 to make provision for a civil recovery regime in relation to cryptoassets which—
 - (a) are intended to be used for the purposes of terrorism,
 - (b) consist of resources of an organisation which is a proscribed organisation, or
 - (c) are, or represent, property obtained through terrorism.
- (2) Part 2 of Schedule (*Cryptoassets: terrorism*) amends the Terrorism Act 2000 to make provision about financial institutions and cryptoassets.

Member’s explanatory statement

This new clause introduces the new Schedule inserted by NS1. Part 1 of that Schedule contains provision about a civil recovery regime for terrorist cryptoassets. Part 2 of that Schedule contains provision about financial institutions and cryptoassets.

Kevin Hollinrake

NC30

To move the following Clause—

“Duty to notify registrar of dissolution

After section 17 of the Limited Partnerships Act 1907 (power of board of trade to make rules) insert—

“Dissolution, revival and deregistration

17A Duty to notify registrar of dissolution

- (1) If a limited partnership is dissolved at a time when the partnership has at least one general partner, the general partners at that time must notify the registrar that the limited partnership has been dissolved.
- (2) If a limited partnership is dissolved at a time when the partnership does not have a general partner, the limited partners at that time must notify the registrar that the limited partnership has been dissolved.
- (3) If the general partners fail to comply with subsection (1) an offence is committed by each general partner who is in default.
- (4) If the limited partners fail to comply with subsection (2) an offence is committed by each limited partner who is in default.
- (5) But where the general partner or limited partner is a legal entity, it does not commit an offence as a general partner or limited partner in default unless one of its managing officers is in default.
- (6) Where any such offence is committed by a general partner or limited partner that is a legal entity, or any such offence is by virtue of this subsection committed by a managing officer that is a legal entity, any managing officer of the legal entity who is in default also commits the offence if—
 - (a) the managing officer is an individual, or
 - (b) the managing officer is a legal entity and one of its managing officers is in default.
- (7) A person guilty of an offence under this section is liable on summary conviction—
 - (a) in England and Wales, to a fine;
 - (b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.
- (8) A general partner, limited partner or managing officer is “in default” for the purposes of this section if they authorise or permit, participate in, or fail to take all reasonable steps to prevent, the contravention.””

Member’s explanatory statement

This new clause means that when a limited partnership is dissolved which partners are required to notify the registrar does not depend on their solvency.

Kevin Hollinrake

NC31

To move the following Clause—

“Winding up limited partnerships on grounds of public interest

After section 25 of the Limited Partnerships Act 1907 (inserted by section 127 of this Act) insert—

“Winding up limited partnerships: court orders

25A Winding up limited partnerships on grounds of public interest

- (1) Where it appears to the Secretary of State that it is expedient in the public interest for a limited partnership to be wound up, the Secretary of State may present a petition to the court for it to be wound up.
- (2) If a petition is presented under subsection (1), the court may wind up the limited partnership if the court is of the opinion that it is just and equitable for it to be wound up.
- (3) The power in subsection (2) does not limit any other power the court has in the same circumstances.””

Member’s explanatory statement

This new clause would allow the court to order the winding up of a limited partnership on a petition by the Secretary of State in the public interest.

Kevin Hollinrake

NC32

To move the following Clause—

“Winding up dissolved limited partnerships

After section 25A of the Limited Partnerships Act 1907 (inserted by section *(Winding up limited partnerships on grounds of public interest)* of this Act) insert—

“25B Winding up dissolved limited partnerships

- (1) Where a limited partnership is dissolved and it appears to the court that there has been a failure to wind up the limited partnership under section 6(3A) or (3B) properly or at all, the court may make any order it considers appropriate, including an order—
 - (a) for the purposes of enforcing the duty in section 6(3A) or (3B),
 - (b) in connection with the performance of that duty, or
 - (c) to wind up the limited partnership.
- (2) The court may make an order under subsection (1) on an application by the Secretary of State or any other person appearing to the court to have sufficient interest.
- (3) The power in subsection (1) does not limit any other power the court has in the same circumstances.””

Member's explanatory statement

This new clause would mean that if a limited partnership has not been wound up as required by section 6(3A) or 6(3B), the court can make various orders on an application by the Secretary of State or a person with sufficient interest, including an order to wind up the limited partnership.

Kevin Hollinrake

NC34

To move the following Clause—

“Requirements to change name: removal of old name from public inspection

- (1) The Companies Act 2006 is amended as follows.
- (2) In section 64 (company ceasing to be entitled to exemption in relation to use of “limited” etc), after subsection (6) insert—
 - “(6A) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates.”
- (3) In section 67 (power to direct change of name in case of similarity to existing name), after subsection (1) insert—
 - “(1A) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates (so far as it relates to the company to which the direction is given).”
- (4) In section 73 (order requiring name to be changed), after subsection (6) insert—
 - “(7) Where an order is made under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the order relates.”
- (5) In section 75 (provision of misleading information), after subsection (4) insert—
 - “(4A) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates.”
- (6) In section 76 (misleading indication of activities), after subsection (5) insert—
 - “(5A) Where a direction is given under subsection (1), the registrar may omit from the material on the register that is available for public inspection any mention of the name to which the direction relates.”

Member's explanatory statement

The Companies Act 2006 contains various powers to direct a company to change its name. This clause allows the registrar to omit from the material that is available for public inspection references to the company's name once it has been given a direction.

Alison Thewliss
Gavin Newlands
Owen Thompson

NC24

To move the following Clause—

“Disclosure of information relating to bank accounts held by subscribers to a memorandum of association

- (1) Section 9 of the Companies Act 2006 (registration of documents) is amended as follows.
- (2) After subsection (5), insert—
 - “(5A) The application must also contain the name of the jurisdiction of the issuing bank of each bank account—
 - (a) held by each subscriber to the memorandum of association,
 - (b) held or to be held by the company being incorporated, and
 - (c) held or to be held by any company linked to the company being incorporated.”

Member’s explanatory statement

This amendment requires relevant parties to disclose where their bank accounts are held.

Alison Thewliss
Gavin Newlands
Owen Thompson

NC25

To move the following Clause—

“Fee for registering a company

- (1) The Companies Act 2006 is amended as follows.
- (2) In section 1063, after subsection (3), insert—
 - “(3A) Regulations under this section must set a fee of at least £50 for the incorporation of a company.”

Seema Malhotra
Stephen Kinnock

NC26

To move the following Clause—

“Reporting requirement (objectives)

- (1) The Secretary of State must publish an annual report assessing whether the powers available to the Secretary of State and the registrar are sufficient to enable the registrar to achieve its objectives under section 1081A of the Companies Act 2006 (inserted by section 1 of this Act).
- (2) Each report must make a recommendation as to whether further legislation should be brought forward in response to the report.
- (3) Each report must provide a breakdown of the registrar’s annual expenditure.

- (4) Each report must provide annual data on the number of companies that have been struck-off by the registrar, the number and amount of fines the registrar has issued, and the number of criminal convictions made as a result of the registrar's powers as set out in this bill.
- (5) Each report must provide annual data on the number of cases referred by the registrar to law enforcement bodies and anti-money laundering supervisors.
- (6) Each report must provide annual data on the total number of company incorporations to the registrar, and the number of company incorporations by Authorised Company Service Providers to the registrar.
- (7) The first report must be published within one year of this Act being passed.
- (8) A further report must be published at least once a year.
- (9) The Secretary of State must lay a copy of each report before Parliament."

Member's explanatory statement

This new clause would add a requirement on the Secretary of State to report on the powers available to the Secretary of State, the Department for Business, Energy and Industrial Strategy, and Companies House in relation to the registrar's powers to achieve their objectives set out in clause 1.

Seema Malhotra
Stephen Kinnock

NC27

To move the following Clause—

"Reporting requirement (identity verification)

- (1) The Secretary of State must publish an annual report on the progress of establishing identity verification procedures in relation to proposed officers and persons with initial significant control.
- (2) The first report must be published within three months of this Act being passed.
- (3) A further report must be published at least once a year.
- (4) The Secretary of State must lay a copy of each report before Parliament."

Member's explanatory statement

This new clause would add a requirement on the Secretary of State to report on the progress of establishing identity verification procedures for proposed company officers and persons with initial significant control.

Seema Malhotra
Stephen Kinnock

NC28

To move the following Clause—

“Reporting requirement (strike-off powers)

- (1) Within one year of the day on which this Act is passed, and every three years thereafter, the Secretary of State must publish a report on the powers available to the Secretary of State and the registrar in relation to the registrar’s powers under this Act to strike off a company.
- (2) Each report in subsection (1) must include but is not limited to—
 - (a) whether the appropriate mechanisms are available to the Secretary of State to prosecute directors of companies struck off the Companies House register in relation to the Act, and to recoup money on behalf of creditors, and
 - (b) how much money has been returned to creditors as a result of the Act’s provision for the registrar to strike a company’s name off the register if the company does not change its address from the default address, including the proportion of this money returned to the Government.
- (3) Each report must make a recommendation as to whether further legislation should be brought forward in response the report.”

Member’s explanatory statement

This new clause would add a requirement on the Secretary of State to report on the powers available to the Secretary of State, the Department for Business, Energy and Industrial Strategy, and Companies House in relation to the strike-off provisions in this Act.

Dame Margaret Hodge

NC29

To move the following Clause—

“Report into the merits of a fund for tackling economic crime

- (1) The Secretary of State must produce a report into the merits of a fund for tackling economic crime.
- (2) The report must consider the case for penalties paid to the registrar to be ringfenced and used solely for the purposes of tackling economic crime.
- (3) The report must be laid before Parliament within six months of this Act being passed.”

Member’s explanatory statement

This new clause requires a report into the merits of a fund for tackling economic crime to be laid before Parliament.

Dame Margaret Hodge
Seema Malhotra
Stephen Kinnock

NC33

To move the following Clause—

“Fees

- (1) Section 1063 (Fees payable to registrar) of the Companies Act 2006 is amended as follows.
- (2) Before subsection (1) insert—
 - “(A1) The registrar must charge a fee of £100 for the incorporation of a company.
 - (B1) The Secretary of State must once a year amend the fee in subsection (A1) to reflect inflation.
- (3) In subsection (1)—
 - (a) after “fees” insert “other than the fee in subsection (A1)”
 - (b) in paragraph (a) after “functions” insert “other than the incorporation of a company”.
- (4) In subsection (5), in paragraphs (a) and (b) after “regulations” insert “or subsection (A1)”.

Member’s explanatory statement

This new clause requires Companies House to charge a fee of £100 for the incorporation of a company. It gives the Secretary of State the power to amend this fee once a year to reflect inflation.

Stephen Kinnock
Seema Malhotra

NC35

To move the following Clause—

“Person convicted under National Minimum Wage Act not to be appointed as director

- (1) The Company Directors Disqualification Act 1986 is amended as follows.
- (2) After Clause 5A (Disqualification for certain convictions abroad) insert—

“5B Person convicted under National Minimum Wage Act not to be appointed as director

 - (1) A person may not be appointed a director of a company if the person is convicted of a criminal offence under section 31 of the National Minimum Wage Act 1998 on or after the day on which section 32(2) of the Economic Crime and Corporate Transparency Act 2022 comes fully into force.
 - (2) It is an offence for such a person to act as director of a company or directly or indirectly to take part in or be concerned in the promotion,

formation or management of a company, without the leave of the High Court.

- (3) An appointment made in contravention of this section is void.””

Member’s explanatory statement

This new clause would disqualify any individual convicted of an offence for a serious breach of the National Minimum Wage Act 1998, such as a deliberate refusal to pay National Minimum Wage, from serving as a company director.

Stephen Kinnock
Seema Malhotra

NC36

To move the following Clause—

“Disclosure of PSC information to local authorities

- (1) The Companies Act 2006 is amended as follows.
(2) After section 790ZH (inserted by section 92 of this Act) insert—

790Z1 Disclosure of PSC information to local authorities

- (1) The Secretary of State may by regulations make provision to facilitate the release of information held by companies on people of significant control to any relevant local authority which may request such information for the purposes of—
- (a) tackling economic crime; and
(b) recovering a relevant unpaid debt;
- in any area under the jurisdiction of the local authority.
- (2) For the purposes of subsection (4A)(a) above, “tackling economic crime” includes any reasonable steps which the local authority may see fit to take as part of an investigation into a company which the authority has reasonable grounds to suspect may be involved in the commission of a relevant offence.
- (3) For the purposes of subsection (4B) above, a “relevant offence” includes an offence under—
- (a) the Proceeds of Crime Act 2002; and
(b) the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended.
- (4) For the purposes of subsection (4A)(b) above, a “relevant unpaid debt” includes unpaid business rates subject to recovery by the local authority under the Local Government Finance Act 1988.”

Member’s explanatory statement

This new clause makes specific provision for relevant information to be disclosed, upon request, to a relevant local authority in connection with any effort by such an authority to investigate suspected economic crime, or to collect outstanding debts from companies which have not paid business rates.

Dame Margaret Hodge

NC37

To move the following Clause—

“Duty to check person of significant control status

- (1) The Companies Act 2006 is amended as follows.
- (2) After section 790LP (Offence of failing to comply with sections 790LI to 790LN) insert—

“790LQ Duty to check person of significant control status

- (1) This section applies when a registrable person’s identity is verified under section 1110A(1) and a risk assessment carried out under section 1062A(1A) has identified a matter of concern in relation to the registrable person.
- (2) The registrar must take steps to ensure that the registrable person whose identity is being verified is a person with significant control over the company.””

Dame Margaret Hodge

NC38

To move the following Clause—

“Risk-based examination of accounts of dissolved companies

- (1) The Companies Act 2006 is amended as follows.
- (2) After section 1062A (analysis of information for the purposes of crime prevention and detection) insert—

“1062B Risk-based examination of accounts of dissolved companies

- (1A) In a case where the registrar’s risk assessment under section 1062A(1A) has identified a matter of concern in relation to a dissolved company, the registrar must examine the accounts of the dissolved company with a view to establishing whether any economic crime has been committed.
- (1B) The registrar must share details of any evidence gathered under subsection (1A) with the relevant law enforcement agencies.”

Dame Margaret Hodge

NC39

To move the following Clause—

“Identity verification of persons holding at least 5% of shares of a company

- (1) The Companies Act 2006 is amended as follows.
- (2) In section 853G(6), after paragraph (b), insert—
 - “(c) in a case where the assessment carried out under section 1062A(1A) has identified a matter of concern in relation to such a

person, a statement confirming that the identity of the person has been verified (see section 1110A).”.

Member’s explanatory statement

This amendment, together with Amendments 117 and 118, requires the registrar to cross-check whether there is a discrepancy between the identity of PSCs and that of people holding more than 5% of shares, in cases where a risk has been identified.

Dame Margaret Hodge

NC40

To move the following Clause—

“Retention of fees by Companies House

- (1) The Secretary of State must report to Parliament on the case for incorporation fees for companies being retained by the registrar.
 - (2) The report must be laid before Parliament within three months of this Act being passed.”
-

Tom Tugendhat

NS1

To move the following Schedule—

“Cryptoassets: terrorism

Part 1

Amendments to the Anti-terrorism, Crime and Security Act 2001

- 1 Schedule 1 to the Anti-terrorism, Crime and Security Act 2001 (forfeiture of terrorist property) is amended as follows.
- 2 After Part 4B insert—

“PART 4BA

Seizure and detention of terrorist cryptoassets

Interpretation

10Z7A(1) In this Schedule—

“cryptoasset” means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically;

“crypto wallet” means—

- (a) software,
- (b) hardware,

- (c) a physical item, or
- (d) any combination of the things mentioned in paragraphs (a) to (c), which is used to store the cryptographic private key that allows cryptoassets to be accessed;

“terrorist cryptoasset” means a cryptoasset which—

- (a) is within subsection (1)(a) or (b) of section 1, or
- (b) is earmarked as terrorist property.

- (2) The Secretary of State may by regulations made by statutory instrument amend the definitions of “cryptoasset” and “crypto wallet” in sub-paragraph (1).
- (3) Regulations under sub-paragraph (2)—
 - (a) may make different provision for different purposes;
 - (b) may make consequential, supplementary, incidental, transitional, transitory or saving provision.
- (4) A statutory instrument containing regulations under sub-paragraph (2) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

- (5) In this Part—

“cryptoasset-related item” means an item of property that is, or that contains or gives access to information that is, likely to assist in the seizure under this Part of terrorist cryptoassets;

“senior officer” means—

- (a) a senior police officer;
- (b) an officer of Revenue and Customs of a rank designated by the Commissioners for His Majesty’s Revenue and Customs as equivalent to that of a senior police officer;
- (c) an immigration officer of a rank designated by the Secretary of State as equivalent to that of a senior police officer;

“senior police officer” means a police officer of at least the rank of superintendent.

Seizure of cryptoasset-related items

- 10Z7AA(1) An authorised officer may seize any item of property if the authorised officer has reasonable grounds for suspecting that the item is a cryptoasset-related item.
- (2) If an authorised officer is lawfully on any premises, the officer may, for the purpose of—
 - (a) determining whether any property is a cryptoasset-related item, or
 - (b) enabling or facilitating the seizure under this Part of any terrorist cryptoasset,
 require any information which is stored in any electronic form and accessible from the premises to be produced in a form in which it can be taken away and in which it is visible and legible, or from which it can readily be produced in a visible and legible form.
- (3) But sub-paragraph (2) does not authorise an authorised officer to require a person to produce privileged information.

- (4) In this paragraph “privileged information” means information which a person would be entitled to refuse to provide—
 - (a) in England and Wales and Northern Ireland, on grounds of legal professional privilege in proceedings in the High Court;
 - (b) in Scotland, on grounds of confidentiality of communications in proceedings in the Court of Session.
- (5) Where an authorised officer has seized a cryptoasset-related item under sub-paragraph (1), the officer may use any information obtained from the item for the purpose of—
 - (a) identifying or gaining access to a crypto wallet, and
 - (b) by doing so, enabling or facilitating the seizure under this Part of any cryptoassets.

Initial detention of cryptoasset-related items

- 10Z7AB(1) Property seized under paragraph 10Z7AA may be detained for an initial period of 48 hours.
- (2) Sub-paragraph (1) authorises the detention of property only for so long as an authorised officer continues to have reasonable grounds for suspicion in relation to that property as described in paragraph 10Z7AA(1).
 - (3) In calculating a period of 48 hours for the purposes of this paragraph, no account is to be taken of—
 - (a) any Saturday or Sunday,
 - (b) Christmas Day,
 - (c) Good Friday,
 - (d) any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom within which the property is seized, or
 - (e) any day prescribed by virtue of section 8(2) of the Criminal Procedure (Scotland) Act 1995 as a court holiday in a sheriff court in the sheriff court district within which the property is seized.

Further detention of cryptoasset-related items

- 10Z7AC(1) The period for which property seized under paragraph 10Z7AA may be detained may be extended by an order made—
 - (a) in England and Wales or Northern Ireland, by a magistrates’ court;
 - (b) in Scotland, by the sheriff.
- (2) An order under sub-paragraph (1) may not authorise the detention of any property—
 - (a) beyond the end of the period of 6 months beginning with the date of the order, and
 - (b) in the case of any further order under this paragraph, beyond the end of the period of 2 years beginning with the date of the first order; but this is subject to sub-paragraph (4).
 - (3) A justice of the peace may also exercise the power of a magistrates’ court to make the first order under sub-paragraph (1).
 - (4) The court or sheriff may make an order for the period of 2 years in sub-paragraph (2)(b) to be extended to a period of up to 3 years beginning with the date of the first order.
 - (5) An application to a magistrates’ court, a justice of the peace or the sheriff to make the first order under sub-paragraph (1) extending a particular period of detention—
 - (a) may be made and heard without notice of the application or hearing having been given to any of the persons affected by the application or to the legal representatives of such a person, and

- (b) may be heard and determined in private in the absence of persons so affected and of their legal representatives.
- (6) An application for an order under sub-paragraph (1) or (4) may be made—
- (a) in relation to England and Wales and Northern Ireland, by the Commissioners for His Majesty's Revenue and Customs or an authorised officer;
 - (b) in relation to Scotland, by a procurator fiscal.
- (7) The court, sheriff or justice may make an order under sub-paragraph (1) if satisfied, in relation to the item of property to be further detained, that—
- (a) there are reasonable grounds for suspecting that it is a cryptoasset-related item, and
 - (b) its continuing detention is justified.
- (8) The court or sheriff may make an order under sub-paragraph (4) if satisfied that a request for assistance is outstanding in relation to the item of property to be further detained.
- (9) A "request for assistance" in sub-paragraph (8) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the property to be further detained, made —
- (a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003, or
 - (b) by an authorised officer, to an authority exercising equivalent functions in a foreign country.
- (10) An order under sub-paragraph (1) must provide for notice to be given to persons affected by the order.

Seizure of cryptoassets

- 10Z7AD(1) An authorised officer may seize cryptoassets if the authorised officer has reasonable grounds for suspecting that the cryptoassets are terrorist cryptoassets.
- (2) The circumstances in which a cryptoasset is "seized" for the purposes of sub-paragraph (1) include circumstances in which it is transferred into a crypto wallet controlled by the authorised officer.

Prior authorisation for detention of cryptoassets

- 10Z7AE(1) Where an order is made under paragraph 10Z7AC in respect of a cryptoasset-related item, the court, sheriff or justice making the order may, at the same time, make an order to authorise the detention of any cryptoassets that may be seized as a result of information obtained from that item.
- (2) An application for an order under this paragraph may be made, by a person mentioned in paragraph 10Z7AC(6), at the same time as an application for an order under paragraph 10Z7AC is made by that person.
- (3) The court, sheriff or justice may make an order under this paragraph if satisfied that there are reasonable grounds for suspecting that the cryptoassets that may be seized are terrorist cryptoassets.
- (4) An order under this paragraph authorises detention of the cryptoassets for the same period of time as the order under paragraph 10Z7AC authorises detention in respect of the cryptoasset-related item to which those cryptoassets relate.

Initial detention of cryptoassets

- 10Z7AF(1) Cryptoassets seized under paragraph 10Z7AD may be detained for an initial period of 48 hours.
- (2) Sub-paragraph (1) authorises the detention of cryptoassets only for so long as an authorised officer continues to have reasonable grounds for suspicion in relation to those cryptoassets as described in paragraph 10Z7AD(1).
 - (3) In calculating a period of 48 hours for the purposes of this paragraph, no account is to be taken of—
 - (a) any Saturday or Sunday,
 - (b) Christmas Day,
 - (c) Good Friday,
 - (d) any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom within which the property is seized, or
 - (e) any day prescribed by virtue of section 8(2) of the Criminal Procedure (Scotland) Act 1995 as a court holiday in a sheriff court in the sheriff court district within which the property is seized.
 - (4) This paragraph is subject to paragraph 10Z7AE.

Further detention of cryptoassets

- 10Z7AG(1) The period for which cryptoassets seized under paragraph 10Z7AD may be detained may be extended by an order made—
- (a) in England and Wales or Northern Ireland, by a magistrates' court;
 - (b) in Scotland, by the sheriff.
- (2) An order under sub-paragraph (1) may not authorise the detention of any cryptoassets—
 - (a) beyond the end of the period of 6 months beginning with the date of the order, and
 - (b) in the case of any further order under this paragraph, beyond the end of the period of 2 years beginning with the date of the first order; but this is subject to sub-paragraph (4).
 - (3) A justice of the peace may also exercise the power of a magistrates' court to make the first order under sub-paragraph (1).
 - (4) The court or sheriff may make an order for the period of 2 years in sub-paragraph (2)(b) to be extended to a period of up to 3 years beginning with the date of the first order.
 - (5) An application to a magistrates' court, a justice of the peace or the sheriff to make the first order under sub-paragraph (1) extending a particular period of detention—
 - (a) may be made and heard without notice of the application or hearing having been given to any of the persons affected by the application or to the legal representatives of such a person, and
 - (b) may be heard and determined in private in the absence of persons so affected and of their legal representatives.
 - (6) An application for an order under sub-paragraph (1) or (4) may be made—
 - (a) in relation to England and Wales and Northern Ireland, by the Commissioners for His Majesty's Revenue and Customs or an authorised officer;
 - (b) in relation to Scotland, by a procurator fiscal.
 - (7) The court, sheriff or justice may make an order under sub-paragraph (1) if satisfied, in relation to the cryptoassets to be further detained, that condition 1, condition 2 or condition 3 is met.

- (8) Condition 1 is that there are reasonable grounds for suspecting that the cryptoassets are intended to be used for the purposes of terrorism and that either—
- (a) their continued detention is justified while their intended use is further investigated or consideration is given to bringing (in the United Kingdom or elsewhere) proceedings against any person for an offence with which the cryptoassets are connected, or
 - (b) proceedings against any person for an offence with which the cryptoassets are connected have been started and have not been concluded.
- (9) Condition 2 is that there are reasonable grounds for suspecting that the cryptoassets consist of resources of an organisation which is a proscribed organisation and that either—
- (a) their continued detention is justified while investigation is made into whether or not they consist of such resources or consideration is given to bringing (in the United Kingdom or elsewhere) proceedings against any person for an offence with which the cryptoassets are connected, or
 - (b) proceedings against any person for an offence with which the cryptoassets are connected have been started and have not been concluded.
- (10) Condition 3 is that there are reasonable grounds for suspecting that the cryptoassets are property earmarked as terrorist property and that either—
- (a) their continued detention is justified while their derivation is further investigated or consideration is given to bringing (in the United Kingdom or elsewhere) proceedings against any person for an offence with which the cryptoassets are connected, or
 - (b) proceedings against any person for an offence with which the cryptoassets are connected have been started and have not been concluded.
- (11) The court or sheriff may make an order under sub-paragraph (4) if satisfied that a request for assistance is outstanding in relation to the cryptoassets to be further detained.
- (12) A “request for assistance” in sub-paragraph (11) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the property to be further detained, made —
- (a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003, or
 - (b) by an authorised officer, to an authority exercising equivalent functions in a foreign country.
- (13) An order under sub-paragraph (1) must provide for notice to be given to persons affected by the order.

Safekeeping of cryptoasset-related items and cryptoassets

- 10Z7AH(1) An authorised officer must arrange for any item of property seized under paragraph 10Z7AA to be safely stored throughout the period during which it is detained under this Part.
- (2) An authorised officer must arrange for any cryptoassets seized under paragraph 10Z7AD to be safely stored throughout the period during which they are detained under this Part.

Release of cryptoasset-related items and cryptoassets

- 10Z7AI(1) This paragraph applies while any cryptoasset or other item of property is detained under this Part.
- (2) A magistrates’ court or (in Scotland) the sheriff may, subject to sub-paragraph (9), direct the release of the whole or any part of the property if the following condition is met.

- (3) The condition is that the court or sheriff is satisfied, on an application by the person from whom the property was seized, that the conditions for the detention of the property in this Part are no longer met in relation to the property to be released.
- (4) A person within sub-paragraph (5) may, subject to sub-paragraph (9) and after notifying the magistrates' court, sheriff or justice under whose order property is being detained, release the whole or any part of the property if satisfied that the detention of the property to be released is no longer justified.
- (5) The following persons are within this sub-paragraph—
 - (a) in relation to England and Wales and Northern Ireland, an authorised officer;
 - (b) in relation to Scotland, a procurator fiscal.
- (6) If any cryptoasset-related item which has been released is not claimed within the period of a year beginning with the date on which it was released, an authorised officer may—
 - (a) retain the item and deal with it as they see fit,
 - (b) dispose of the item, or
 - (c) destroy the item.
- (7) The powers in sub-paragraph (6) may be exercised only—
 - (a) where the authorised officer has taken reasonable steps to notify—
 - (i) the person from whom the item was seized, and
 - (ii) any other persons who the authorised officer has reasonable grounds to believe have an interest in the item,that the item has been released, and
 - (b) with the approval of a senior officer.
- (8) Any proceeds of a disposal of the item are to be paid—
 - (a) into the Consolidated Fund if—
 - (i) the item was directed to be released by a magistrates' court, or
 - (ii) a magistrates' court or justice was notified under sub-paragraph (4) of the release;
 - (b) into the Scottish Consolidated Fund if—
 - (i) the item was directed to be released by the sheriff, or
 - (ii) the sheriff was notified under sub-paragraph (4) of the release.
- (9) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the property is connected, the property is not to be released under this paragraph (and so is to continue to be detained) until the proceedings are concluded.

PART 4BB

Terrorist cryptoassets: crypto wallet freezing orders

Interpretation

10Z7B(1) In this Part—

- (a) "cryptoasset exchange provider" means a firm or sole practitioner who by way of business provides one or more of the following services, including where the firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved—
 - (i) exchanging, or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets,
 - (ii) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another, or

- (iii) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets;
 - (b) “custodian wallet provider” means a firm or sole practitioner who by way of business provides services to safeguard, or to safeguard and administer—
 - (i) cryptoassets on behalf of its customers, or
 - (ii) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets;
 - (c) “cryptoasset service provider” includes cryptoasset exchange provider and custodian wallet provider.
- (2) In the definition of “cryptoasset exchange provider” in sub-paragraph (1)—
 - (a) “cryptoasset” includes a right to, or interest in, a cryptoasset;
 - (b) “money” means—
 - (i) money in sterling,
 - (ii) money in any other currency, or
 - (iii) money in any other medium of exchange,but does not include a cryptoasset.
- (3) The Secretary of State may by regulations made by statutory instrument amend the definitions in sub-paragraphs (1) and (2).
- (4) Regulations under sub-paragraph (3)—
 - (a) may make different provision for different purposes;
 - (b) may make consequential, supplementary, incidental, transitional, transitory or saving provision.
- (5) A statutory instrument containing regulations under sub-paragraph (3) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.
- (6) For the purposes of this Part—
 - (a) a crypto wallet freezing order is an order that, subject to any exclusions (see paragraph 10Z7BD), prohibits each person by or for whom the crypto wallet to which the order applies is administered from—
 - (i) making withdrawals or payments from the crypto wallet, or
 - (ii) using the crypto wallet in any other way;
 - (b) a crypto wallet is administered by or for a person if the person is the person to whom services are being provided by a cryptoasset service provider in relation to that crypto wallet.
- (7) In this Part—
 - “enforcement officer” means—
 - (a) a constable, or
 - (b) a counter-terrorism financial investigator;
 - “relevant court” means—
 - (a) in England and Wales and Northern Ireland, a magistrates’ court, and
 - (b) in Scotland, the sheriff;
 - “senior officer” means a police officer of at least the rank of superintendent;

“UK-connected cryptoasset service provider” means a cryptoasset service provider which—

- (a) is acting in the course of business carried on by it in the United Kingdom,
- (b) has terms and conditions with the persons to whom it provides services which provide for a legal dispute to be litigated in the courts of a part of the United Kingdom,
- (c) holds, in the United Kingdom, any data relating to the persons to whom it provides services, or
- (d) meets the condition in sub-paragraph (8).

(8) The condition in this sub-paragraph is that—

- (a) the cryptoasset service provider has its registered office, or if it does not have one, its head office in the United Kingdom, and
- (b) the day-to-day management of the provider’s business is the responsibility of that office or another establishment maintained by it in the United Kingdom.

Application for crypto wallet freezing order

10Z7BA(1) This paragraph applies if an enforcement officer has reasonable grounds for suspecting that cryptoassets held in a crypto wallet administered by a UK-connected cryptoasset service provider are terrorist cryptoassets.

- (2) Where this paragraph applies the enforcement officer may apply to the relevant court for a crypto wallet freezing order in relation to the crypto wallet in which the cryptoassets are held.
- (3) But—
 - (a) an enforcement officer may not apply for a crypto wallet freezing order unless the officer is a senior officer or is authorised to do so by a senior officer, and
 - (b) the senior officer must consult the Treasury before making the application for the order or (as the case may be) authorising the application to be made, unless in the circumstances it is not reasonably practicable to do so.
- (4) An application for a crypto wallet freezing order may be made without notice if the circumstances of the case are such that notice of the application would prejudice the taking of any steps under this Schedule to forfeit cryptoassets that are terrorist cryptoassets.
- (5) An application for a crypto wallet freezing order under this paragraph may be combined with an application for an account freezing order under paragraph 10Q where a single entity—
 - (a) is both a relevant financial institution for the purposes of paragraph 10Q and a cryptoasset service provider for the purposes of this Part, and
 - (b) operates or administers, for the same person, both an account holding money and a crypto wallet.

Making of crypto wallet freezing order

10Z7BB(1) This paragraph applies where an application for a crypto wallet freezing order is made under paragraph 10Z7BA in relation to a crypto wallet.

- (2) The relevant court may make the order if satisfied that there are reasonable grounds for suspecting that some or all of the cryptoassets held in the crypto wallet are terrorist cryptoassets.

- (3) A crypto wallet freezing order ceases to have effect at the end of the period specified in the order (which may be varied under paragraph 10Z7BC) unless it ceases to have effect at an earlier or later time in accordance with this Part or Part 4BC or 4BD.
- (4) The period specified by the relevant court for the purposes of sub-paragraph (3) (whether when the order is first made or on a variation under paragraph 10Z7BC) may not exceed the period of 2 years, beginning with the day on which the crypto wallet freezing order is (or was) made; but this is subject to sub-paragraph (5).
- (5) The relevant court may make an order for the period of 2 years in sub-paragraph (4) to be extended to a period of up to 3 years beginning with the day on which the crypto wallet freezing order is (or was) made.
- (6) The relevant court may make an order under sub-paragraph (5) if satisfied that a request for assistance is outstanding in relation to some or all of the cryptoassets held in the crypto wallet.
- (7) A "request for assistance" in sub-paragraph (6) means a request for assistance in obtaining evidence (including information in any form or article) in connection with some or all of the cryptoassets held in the crypto wallet, made—
 - (a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003, or
 - (b) by an enforcement officer, to an authority exercising equivalent functions in a foreign country.
- (8) A crypto wallet freezing order must provide for notice to be given to persons affected by the order.

Variation and setting aside of crypto wallet freezing order

- 10Z7BC(1) The relevant court may at any time vary or set aside a crypto wallet freezing order on an application made by—
- (a) an enforcement officer, or
 - (b) any person affected by the order.
- (2) But an enforcement officer may not make an application under sub-paragraph (1) unless the officer is a senior officer or is authorised to do so by a senior officer.
 - (3) Before varying or setting aside a crypto wallet freezing order the court must (as well as giving the parties to the proceedings an opportunity to be heard) give such an opportunity to any person who may be affected by its decision.
 - (4) In relation to Scotland, the references in this paragraph to setting aside an order are to be read as references to recalling it.

Exclusions

- 10Z7BD(1) The power to vary a crypto wallet freezing order includes (amongst other things) power to make exclusions from the prohibition on making withdrawals or payments from the crypto wallet to which the order applies.
- (2) Exclusions from the prohibition may also be made when the order is made.
 - (3) An exclusion may (amongst other things) make provision for the purpose of enabling a person by or for whom the crypto wallet is administered—
 - (a) to meet the person's reasonable living expenses, or
 - (b) to carry on any trade, business, profession or occupation.
 - (4) An exclusion may be made subject to conditions.

- (5) Where a magistrates' court exercises the power to make an exclusion for the purpose of enabling a person to meet legal expenses that the person has incurred, or may incur, in respect of proceedings under this Schedule, it must ensure that the exclusion—
- (a) is limited to reasonable legal expenses that the person has reasonably incurred or that the person reasonably incurs,
 - (b) specifies the total amount that may be released for legal expenses in pursuance of the exclusion, and
 - (c) is made subject to the same conditions as would be the required conditions (see section 286A of the Proceeds of Crime Act 2002) if the order had been made under section 245A of that Act (in addition to any conditions imposed under sub-paragraph (4)).
- (6) A magistrates' court, in deciding whether to make an exclusion for the purpose of enabling a person to meet legal expenses in respect of proceedings under this Schedule—
- (a) must have regard to the desirability of the person being represented in any proceedings under this Schedule in which the person is a participant, and
 - (b) must disregard the possibility that legal representation of the person in any such proceedings might, were an exclusion not made—
 - (i) be made available under arrangements made for the purposes of Part 1 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, or
 - (ii) be funded by the Department of Justice in Northern Ireland.
- (7) The sheriff's power to make exclusions may not be exercised for the purpose of enabling any person to meet any legal expenses in respect of proceedings under this Schedule.
- (8) The power to make exclusions must, subject to sub-paragraph (6), be exercised with a view to ensuring, so far as practicable, that there is not undue prejudice to the taking of any steps under this Schedule to forfeit cryptoassets that are terrorist cryptoassets.

Restriction on proceedings and remedies

- 10Z7BE(1) If a court in which proceedings are pending in respect of a crypto wallet administered by a UK-connected cryptoasset service provider is satisfied that a crypto wallet freezing order has been applied for or made in respect of the crypto wallet, it may either stay the proceedings or allow them to continue on any terms it thinks fit.
- (2) Before exercising the power conferred by sub-paragraph (1), the court must (as well as giving the parties to any of the proceedings concerned an opportunity to be heard) give such an opportunity to any person who may be affected by the court's decision.
 - (3) In relation to Scotland, the reference in sub-paragraph (1) to staying the proceedings is to be read as a reference to sisting the proceedings.

PART 4BC

Forfeiture of terrorist cryptoassets

Interpretation

- 10Z7C(1) In this Part—

“cryptoasset service provider” has the same meaning as in Part 4BB (see paragraph 10Z7B(1));

“crypto wallet freezing order” has the same meaning as in Part 4BB (see paragraph 10Z7B(6));

“senior officer” means—

- (a) a senior police officer;
- (b) an officer of Revenue and Customs of a rank designated by the Commissioners for His Majesty’s Revenue and Customs as equivalent to that of a senior police officer;
- (c) an immigration officer of a rank designated by the Secretary of State as equivalent to that of a senior police officer;

“senior police officer” means a police officer of at least the rank of superintendent.

- (2) Paragraph 10Z7B(6)(b) (administration of crypto wallets) applies in relation to this Part as it applies in relation to Part 4BB.

Forfeiture

10Z7CA(1) This paragraph applies—

- (a) while any cryptoassets are detained in pursuance of an order under paragraph 10Z7AE or 10Z7AG, or
 - (b) while a crypto wallet freezing order made under paragraph 10Z7BB has effect.
- (2) An application for the forfeiture of some or all of the cryptoassets that are detained or held in the crypto wallet that is subject to the crypto wallet freezing order may be made—
- (a) to a magistrates’ court by the Commissioners for His Majesty’s Revenue and Customs or an authorised officer, or
 - (b) to the sheriff by the Scottish Ministers.
- (3) The court or sheriff may order the forfeiture of some or all of the cryptoassets if satisfied that the cryptoassets are terrorist cryptoassets.
- (4) An order under sub-paragraph (3) made by a magistrates’ court may provide for payment under paragraph 10Z7CJ of reasonable legal expenses that a person has reasonably incurred, or may reasonably incur, in respect of—
- (a) the proceedings in which the order is made, or
 - (b) any related proceedings under this Part.
- (5) A sum in respect of a relevant item of expenditure is not payable under paragraph 10Z7CJ in pursuance of provision under sub-paragraph (4) unless—
- (a) the person who applied for the order under sub-paragraph (3) agrees to its payment, or
 - (b) the court has assessed the amount allowed in respect of that item and the sum is paid in respect of the assessed amount.
- (6) For the purposes of sub-paragraph (5)—
- (a) a “relevant item of expenditure” is an item of expenditure to which regulations under section 286B of the Proceeds of Crime Act 2002 would apply if the order under sub-paragraph (3) had instead been a recovery order made under section 266 of that Act;
 - (b) an amount is “allowed” in respect of a relevant item of expenditure if it would have been allowed by those regulations;
 - (c) if the person who applied for the order under sub-paragraph (3) was an authorised officer, that person may not agree to the payment of a sum unless the person is a senior officer or is authorised to do so by a senior officer.
- (7) Sub-paragraph (3) ceases to apply on the transfer of an application made under this paragraph in accordance with paragraph 10Z7CE.

Forfeiture: supplementary

- 10Z7CB(1) Sub-paragraph (2) applies where an application is made under paragraph 10Z7CA for the forfeiture of any cryptoassets detained in pursuance of an order under paragraph 10Z7AE or 10Z7AG.
- (2) The cryptoassets are to continue to be detained in pursuance of the order (and may not be released under any power conferred by this Schedule) until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.
This is subject to Part 4BD (conversion to money)
 - (3) Where an application is made under paragraph 10Z7CA in relation to cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order—
 - (a) sub-paragraphs (4) and (5) apply, and
 - (b) the crypto wallet freezing order is to continue to have effect until the time referred to in sub-paragraph (4)(b) or (5).
 - (4) Where the cryptoassets are ordered to be forfeited under paragraph 10Z7CA(3) or 10Z7CE(3)—
 - (a) the cryptoasset service provider that administers the crypto wallet must transfer the cryptoassets into a crypto wallet nominated by an authorised officer, and
 - (b) immediately after the transfer has been made, the freezing order ceases to have effect.
 - (5) Where the application is determined or otherwise disposed of other than by the making of an order under paragraph 10Z7CA(3) or 10Z7CE(3), the crypto wallet freezing order ceases to have effect immediately after that determination or other disposal.
 - (6) Sub-paragraphs (4)(b) and (5) are subject to paragraph 10Z7CF and Part 4BD.
 - (7) The Secretary of State may by regulations made by statutory instrument amend this paragraph to make provision about the forfeiture of cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order.
 - (8) Regulations under sub-paragraph (7) may in particular make provision about—
 - (a) the process for the forfeiture of cryptoassets;
 - (b) the realisation of forfeited cryptoassets;
 - (c) the application of the proceeds of such realisation.
 - (9) Regulations under sub-paragraph (7) may—
 - (a) make different provision for different purposes;
 - (b) make consequential, supplementary, incidental, transitional, transitory or saving provision, including provision which makes consequential amendments to this Part.
 - (10) A statutory instrument containing regulations under sub-paragraph (7) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

Associated and joint property

- 10Z7CC(1) Paragraphs 10Z7CD and 10Z7CE apply if—
- (a) an application is made under paragraph 10Z7CA in respect of cryptoassets,
 - (b) the court or sheriff is satisfied that some or all of the cryptoassets are terrorist cryptoassets, and
 - (c) there exists property that is associated with the cryptoassets in relation to which the court or sheriff is satisfied as mentioned in paragraph (b).

- (2) Paragraphs 10Z7CD and 10Z7CE also apply in England and Wales and Northern Ireland if—
- (a) an application is made under paragraph 10Z7CA in respect of cryptoassets,
 - (b) the court is satisfied that some or all of the cryptoassets are earmarked as terrorist property, and
 - (c) the cryptoassets in relation to which the court is satisfied as mentioned in paragraph (b) belong to joint tenants and one of the tenants is an excepted joint owner.
- (3) In this paragraph and paragraphs 10Z7CD and 10Z7CE, “associated property” means property of any of the following descriptions that is not itself the forfeitable property—
- (a) any interest in the forfeitable property;
 - (b) any other interest in the property in which the forfeitable property subsists;
 - (c) if the forfeitable property is part of a larger property, but not a separate part, the remainder of that property.

References to property being associated with forfeitable property are to be read accordingly.

- (4) In this paragraph and paragraphs 10Z7CD and 10Z7CE, the “forfeitable property” means the cryptoassets in relation to which the court or sheriff is satisfied as mentioned in sub-paragraph (1)(b) or (2)(b) (as the case may be).
- (5) For the purposes of this paragraph and paragraphs 10Z7CD and 10Z7CE—
- (a) an excepted joint owner is a joint tenant who obtained the property in circumstances in which it would not (as against them) be earmarked, and
 - (b) references to the excepted joint owner’s share of property are to so much of the property as would have been theirs if the joint tenancy had been severed.

Agreements about associated and joint property

10Z7CD(1) Where—

- (a) this paragraph applies, and
 - (b) the person who applied for the order under paragraph 10Z7CA (on the one hand) and the person who holds the associated property or who is the excepted joint owner (on the other hand) agree,
- the magistrates’ court or sheriff may, instead of making an order under paragraph 10Z7CA(3), make an order requiring the person who holds the associated property or who is the excepted joint owner to make a payment to a person identified in the order.
- (2) The amount of the payment is (subject to sub-paragraph (3)) to be the amount which the persons referred to in sub-paragraph (1)(b) agree represents—
- (a) in a case where this paragraph applies by virtue of paragraph 10Z7CC(1), the value of the forfeitable property;
 - (b) in a case where this paragraph applies by virtue of paragraph 10Z7CC(2), the value of the forfeitable property less the value of the excepted joint owner’s share.
- (3) The amount of the payment may be reduced if the person who applied for the order under paragraph 10Z7CA agrees that the other party to the agreement has suffered loss as a result of—
- (a) the seizure of the forfeitable property under paragraph 10Z7AD and its subsequent detention, or
 - (b) the making of a crypto wallet freezing order under paragraph 10Z7BB.
- (4) The reduction that is permissible by virtue of sub-paragraph (3) is such amount as the parties to the agreement agree is reasonable, having regard to the loss suffered and any other relevant circumstances.

- (5) An order under sub-paragraph (1) may, so far as required for giving effect to the agreement, include provision for vesting, creating or extinguishing any interest in property.
- (6) An order under sub-paragraph (1) made by a magistrates' court may provide for payment under sub-paragraph (11) of reasonable legal expenses that a person has reasonably incurred, or may reasonably incur, in respect of—
 - (a) the proceedings in which the order is made, or
 - (b) any related proceedings under this Part.
- (7) A sum in respect of a relevant item of expenditure is not payable under sub-paragraph (11) in pursuance of provision under sub-paragraph (6) unless—
 - (a) the person who applied for the order under paragraph 10Z7CA agrees to its payment, or
 - (b) the court has assessed the amount allowed in respect of that item and the sum is paid in respect of the assessed amount.
- (8) For the purposes of sub-paragraph (7)—
 - (a) a "relevant item of expenditure" is an item of expenditure to which regulations under section 286B of the Proceeds of Crime Act 2002 would apply if the order under sub-paragraph (1) had instead been a recovery order made under section 266 of that Act;
 - (b) an amount is "allowed" in respect of a relevant item of expenditure if it would have been allowed by those regulations.
- (9) If there is more than one item of associated property or more than one excepted joint owner, the total amount to be paid under sub-paragraph (1), and the part of that amount which is to be provided by each person who holds any such associated property or who is an excepted joint owner, is to be agreed between both (or all) of them and the person who applied for the order under paragraph 10Z7CA.
- (10) If the person who applied for the order under paragraph 10Z7CA was an authorised officer, that person may enter into an agreement for the purposes of any provision of this paragraph only if the person is a senior officer or is authorised to do so by a senior officer.
- (11) An amount received under an order under sub-paragraph (1) must be applied as follows—
 - (a) first, it must be applied in making any payment of legal expenses which, after giving effect to sub-paragraph (7), are payable under this sub-paragraph in pursuance of provision under sub-paragraph (6);
 - (b) second, it must be applied in payment or reimbursement of any reasonable costs incurred in storing or insuring the forfeitable property and any associated property whilst detained under this Schedule;
 - (c) third, it must be paid—
 - (i) if the order was made by a magistrates' court, into the Consolidated Fund;
 - (ii) if the order was made by the sheriff, into the Scottish Consolidated Fund.

Associated and joint property: default of agreement

10Z7CE(1) Where this paragraph applies and there is no agreement under paragraph 10Z7CD, the magistrates' court or sheriff may transfer the application made under paragraph 10Z7CA to the appropriate court.

- (2) The "appropriate court" is—
 - (a) the High Court, where the application under paragraph 10Z7CA was made to a magistrates' court;
 - (b) the Court of Session, where the application under paragraph 10Z7CA was made to the sheriff.

- (3) Where (under sub-paragraph (1)) an application made under paragraph 10Z7CA is transferred to the appropriate court, the appropriate court may order the forfeiture of the property to which the application relates, or any part of that property, if satisfied that what is to be forfeited—
 - (a) is within subsection (1)(a) or (b) of section 1, or
 - (b) is property earmarked as terrorist property.
- (4) An order under sub-paragraph (3) made by the High Court may include provision of the type that may be included in an order under paragraph 10Z7CA(3) made by a magistrates' court by virtue of paragraph 10Z7CA(4).
- (5) If provision is included in an order of the High Court by virtue of sub-paragraph (4) of this paragraph, paragraph 10Z7CA(5) and (6) apply with the necessary modifications.
- (6) The appropriate court may, as well as making an order under sub-paragraph (3), make an order—
 - (a) providing for the forfeiture of the associated property or (as the case may be) for the excepted joint owner's interest to be extinguished, or
 - (b) providing for the excepted joint owner's interest to be severed.
- (7) Where (under sub-paragraph (1)) the magistrates' court or sheriff decides not to transfer an application made under paragraph 10Z7CA to the appropriate court, the magistrates' court or sheriff may, as well as making an order under paragraph 10Z7CA(3), make an order—
 - (a) providing for the forfeiture of the associated property or (as the case may be) for the excepted joint owner's interest to be extinguished, or
 - (b) providing for the excepted joint owner's interest to be severed.
- (8) An order under sub-paragraph (6) or (7) may be made only if the appropriate court, the magistrates' court or the sheriff (as the case may be) thinks it just and equitable to do so.
- (9) An order under sub-paragraph (6) or (7) must provide for the payment of an amount to the person who holds the associated property or who is an excepted joint owner.
- (10) In making an order under sub-paragraph (6) or (7), and including provision in it by virtue of sub-paragraph (9), the appropriate court, the magistrates' court or the sheriff (as the case may be) must have regard to—
 - (a) the rights of any person who holds the associated property or who is an excepted joint owner and the value to that person of that property or (as the case may be) of that person's share (including any value that cannot be assessed in terms of money), and
 - (b) the interest of the person who applied for the order under paragraph 10Z7CA in realising the value of the forfeitable property.
- (11) If the appropriate court, the magistrates' court or the sheriff (as the case may be) is satisfied that—
 - (a) the person who holds the associated property or who is an excepted joint owner has suffered loss as a result of—
 - (i) the seizure of the forfeitable property under paragraph 10Z7AD and its subsequent detention, or
 - (ii) the making of the crypto wallet freezing order under paragraph 10Z7BB, and
 - (b) the circumstances are exceptional,an order under sub-paragraph (6) or (7) may require the payment of compensation to that person.
- (12) The amount of compensation to be paid by virtue of sub-paragraph (11) is the amount the appropriate court, the magistrates' court or the sheriff (as the case may be) thinks reasonable, having regard to the loss suffered and any other relevant circumstances.

- (13) Compensation to be paid by virtue of sub-paragraph (11) is to be paid in the same way that compensation is to be paid under paragraph 10Z7CM.

Continuation of crypto wallet freezing order pending appeal

- 10Z7CF(1) This paragraph applies where, on an application under paragraph 10Z7CA in relation to a crypto wallet to which a crypto wallet freezing order applies—
- (a) the magistrates' court or sheriff decides—
 - (i) to make an order under paragraph 10Z7CA(3) in relation to some but not all of the cryptoassets to which the application related, or
 - (ii) not to make an order under paragraph 10Z7CA(3), or
 - (b) if the application is transferred in accordance with paragraph 10Z7CE(1), the High Court or Court of Session decides—
 - (i) to make an order under paragraph 10Z7CE(3) in relation to some but not all of the cryptoassets to which the application related, or
 - (ii) not to make an order under paragraph 10Z7CE(3).
- (2) The person who made the application under paragraph 10Z7CA may apply without notice to the court or sheriff that made the decision referred to in sub-paragraph (1) for an order that the crypto wallet freezing order is to continue to have effect.
- (3) Where the court or sheriff makes an order under sub-paragraph (2) the crypto wallet freezing order is to continue to have effect until—
- (a) the end of the period of 48 hours starting with the making of the order under sub-paragraph (2), or
 - (b) if within that period of 48 hours an appeal is brought (whether under paragraph 10Z7CG or otherwise) against the decision referred to in sub-paragraph (1), the time when the appeal is determined or otherwise disposed of.
- (4) Sub-paragraph (3) of paragraph 10Z7AF applies for the purposes of sub-paragraph (3) as it applies for the purposes of that paragraph.

Paragraphs 10Z7CA to 10Z7CE: appeals

- 10Z7CG(1) Any party to proceedings for an order for the forfeiture of cryptoassets under paragraph 10Z7CA may appeal against—
- (a) the making of an order under paragraph 10Z7CA;
 - (b) the making of an order under paragraph 10Z7CE(7);
 - (c) a decision not to make an order under paragraph 10Z7CA unless the reason that no order was made is that an order was instead made under paragraph 10Z7CD;
 - (d) a decision not to make an order under paragraph 10Z7CE(7).
- Paragraphs (c) and (d) do not apply if the application for the order under paragraph 10Z7CA was transferred in accordance with paragraph 10Z7CE(1).
- (2) Where an order under paragraph 10Z7CD is made by a magistrates' court, any party to the proceedings for the order (including any party to the proceedings under paragraph 10Z7CA that preceded the making of the order) may appeal against a decision to include, or not to include, provision in the order under paragraph 10Z7CD(6).
- (3) An appeal under this paragraph lies—
- (a) in relation to England and Wales, to the Crown Court;
 - (b) in relation to Scotland, to the Sheriff Appeal Court;
 - (c) in relation to Northern Ireland, to a county court.
- (4) An appeal under this paragraph must be made before the end of the period of 30 days starting with the day on which the court or sheriff makes the order or decision.

- (5) Sub-paragraph (4) is subject to paragraph 10Z7CH.
- (6) The court hearing the appeal may make any order it thinks appropriate.
- (7) If the court upholds an appeal against an order forfeiting any cryptoasset or other item of property, it may, subject to sub-paragraph (8), order the release of the whole or any part of the property.
- (8) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the property is connected, the property is not to be released under this paragraph (and so is to continue to be detained) until the proceedings are concluded.

Extended time for appealing in certain cases where deproscription order made

10Z7CH(1) This paragraph applies where—

- (a) a successful application for an order under paragraph 10Z7CA relies (wholly or partly) on the fact that an organisation is proscribed,
 - (b) an application under section 4 of the Terrorism Act 2000 for a deproscription order in respect of the organisation is refused by the Secretary of State,
 - (c) the property forfeited by the order under paragraph 10Z7CA was seized under this Schedule on or after the date of the refusal of that application,
 - (d) an appeal against that refusal is allowed under section 5 of the Terrorism Act 2000,
 - (e) a deproscription order is made accordingly, and
 - (f) if the order is made in reliance on section 123(5) of the Terrorism Act 2000, a resolution is passed by each House of Parliament under section 123(5)(b) of that Act.
- (2) Where this paragraph applies, an appeal under paragraph 10Z7CG against the making of an order under paragraph 10Z7CA, and against the making (in addition) of any order under paragraph 10Z7CE(7), may be brought at any time before the end of the period of 30 days beginning with the date on which the deproscription order comes into force.
 - (3) In this paragraph a “deproscription order” means an order under section 3(3)(b) or (8) of the Terrorism Act 2000.

Realisation or destruction of forfeited cryptoassets etc

10Z7CI(1) This paragraph applies where any cryptoasset or other item of property is forfeited under this Part.

- (2) An authorised officer must—
 - (a) realise the property, or
 - (b) make arrangements for its realisation.This is subject to sub-paragraphs (3) to (5).
- (3) The property is not to be realised—
 - (a) before the end of the period within which an appeal may be made (whether under paragraph 10Z7CG or otherwise), or
 - (b) if an appeal is made within that period, before the appeal is determined or otherwise disposed of.
- (4) The realisation of property under sub-paragraph (2) must be carried out, so far as practicable, in the manner best calculated to maximise the amount obtained for the property.
- (5) Where an authorised officer is satisfied that—
 - (a) it is not reasonably practicable to realise any cryptoasset, or

(b) there are reasonable grounds to believe that the realisation of any cryptoasset would be contrary to the public interest,
the authorised officer may destroy the cryptoasset.

(6) But—

- (a) the authorised officer may destroy the cryptoasset only if the officer is a senior officer or is authorised to do so by a senior officer, and
 - (b) the cryptoasset is not to be destroyed—
 - (i) before the end of the period within which an appeal may be made (whether under paragraph 10Z7CG or otherwise), or
 - (ii) if an appeal is made within that period, before the appeal is determined or otherwise disposed of.
- (7) The question of whether the realisation of the cryptoasset would be contrary to the public interest is to be determined with particular reference to how likely it is that the entry of the cryptoasset into general circulation would facilitate criminal conduct by any person.

Proceeds of realisation

10Z7CJ(1) This paragraph applies where any cryptoasset or other item of property is realised under paragraph 10Z7CI.

(2) The proceeds of the realisation must be applied as follows—

- (a) first, they must be applied in making any payment required to be made by virtue of paragraph 10Z7CE(9);
 - (b) second, they must be applied in making any payment of legal expenses which, after giving effect to paragraph 10Z7CA(5) (including as applied by paragraph 10Z7CE(5)), are payable under this sub-paragraph in pursuance of provision under paragraph 10Z7CA(4) or, as the case may be, 10Z7CE(4);
 - (c) third, they must be applied in payment or reimbursement of any reasonable costs incurred in storing or insuring the property whilst detained under this Schedule and in realising the property;
 - (d) fourth, they must be paid—
 - (i) if the property was forfeited by a magistrates' court or the High Court, into the Consolidated Fund;
 - (ii) if the property was forfeited by the sheriff or the Court of Session, into the Scottish Consolidated Fund.
- (3) If what is realised under paragraph 10Z7CI represents part only of an item of property, the reference in sub-paragraph (2)(c) to costs incurred in storing or insuring the property is to be read as a reference to costs incurred in storing or insuring the whole of the property.

Victims etc: detained cryptoassets

10Z7CK(1) A person who claims that any cryptoassets detained under this Schedule belong to the person may apply for some or all of the cryptoassets to be released.

(2) An application under sub-paragraph (1) is to be made—

- (a) in England and Wales or Northern Ireland, to a magistrates' court;
 - (b) in Scotland, to the sheriff.
- (3) The application may be made in the course of proceedings under paragraph 10Z7AG or 10Z7CA or at any other time.

- (4) The court or sheriff may, subject to sub-paragraph (8), order the cryptoassets to which the application relates to be released to the applicant if it appears to the court or sheriff that—
 - (a) the applicant was deprived of the cryptoassets to which the application relates, or of property which they represent, by criminal conduct,
 - (b) the cryptoassets the applicant was deprived of were not, immediately before the applicant was deprived of them, property obtained by or in return for criminal conduct and nor did they then represent such property, and
 - (c) the cryptoassets belong to the applicant.
- (5) If sub-paragraph (6) applies, the court or sheriff may, subject to sub-paragraph (8), order the cryptoassets to which the application relates to be released to the applicant or to the person from whom they were seized.
- (6) This sub-paragraph applies where—
 - (a) the applicant is not the person from whom the cryptoassets to which the application relates were seized,
 - (b) it appears to the court or sheriff that those cryptoassets belong to the applicant,
 - (c) the court or sheriff is satisfied that the release condition is met in relation to those cryptoassets, and
 - (d) no objection to the making of an order under sub-paragraph (5) has been made by the person from whom those cryptoassets were seized.
- (7) The release condition is met—
 - (a) if the conditions in Part 4BA for the detention of the cryptoassets are no longer met, or
 - (b) in relation to cryptoassets which are subject to an application for forfeiture under paragraph 10Z7CA, if the court or sheriff decides not to make an order under that paragraph in relation to the cryptoassets.
- (8) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the cryptoassets are connected, the cryptoassets are not to be released under this paragraph (and so are to continue to be detained) until the proceedings are concluded.

Victims etc: crypto wallet freezing orders

- 10Z7CL(1) A person who claims that any cryptoassets held in a crypto wallet in respect of which a crypto wallet freezing order has been made belong to the person may apply for some or all of the cryptoassets to be released.
- (2) An application under sub-paragraph (1) is to be made—
 - (a) in England and Wales or Northern Ireland, to a magistrates' court;
 - (b) in Scotland, to the sheriff.
 - (3) The application may be made in the course of proceedings under paragraph 10Z7BB or 10Z7CA or at any other time.
 - (4) The court or sheriff may, subject to sub-paragraph (8), order the cryptoassets to which the application relates to be released to the applicant if it appears to the court or sheriff that—
 - (a) the applicant was deprived of the cryptoassets to which the application relates, or of property which they represent, by criminal conduct,
 - (b) the cryptoassets the applicant was deprived of were not, immediately before the applicant was deprived of them, property obtained by or in return for criminal conduct and nor did they then represent such property, and
 - (c) the cryptoassets belong to the applicant.

- (5) If sub-paragraph (6) applies, the court or sheriff may, subject to sub-paragraph (8), order the cryptoassets to which the application relates to be released to the applicant.
- (6) This sub-paragraph applies where—
 - (a) the applicant is not the person from whom the cryptoassets to which the application relates were seized,
 - (b) it appears to the court or sheriff that those cryptoassets belong to the applicant,
 - (c) the court or sheriff is satisfied that the release condition is met in relation to those cryptoassets, and
 - (d) no objection to the making of an order under sub-paragraph (5) has been made by the person from whom those cryptoassets were seized.
- (7) The release condition is met—
 - (a) if the conditions for the making of the crypto wallet freezing order are no longer met in relation to the cryptoassets to which the application relates, or
 - (b) in relation to cryptoassets held in a crypto wallet subject to a crypto wallet freezing order which are subject to an application for forfeiture under paragraph 10Z7CA, if the court or sheriff decides not to make an order under that paragraph in relation to the cryptoassets.
- (8) Cryptoassets are not to be released under this paragraph—
 - (a) if an application for their forfeiture under paragraph 10Z7CA is made, until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded;
 - (b) if (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the cryptoassets are connected, until the proceedings are concluded.
- (9) In relation to cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order, references in this paragraph to a person from whom cryptoassets were seized include a reference to a person by or for whom the crypto wallet was administered immediately before the crypto wallet freezing order was made.

Compensation

- 10Z7CM(1) This paragraph applies if no order is made under paragraph 10Z7CA, 10Z7CD or 10Z7CE in respect of cryptoassets detained under this Schedule or held in a crypto wallet that is subject to a crypto wallet freezing order under paragraph 10Z7BB.
- (2) Where this paragraph applies, the following may make an application to the relevant court for compensation—
 - (a) a person to whom the cryptoassets belong or from whom they were seized;
 - (b) a person by or for whom a crypto wallet to which the crypto wallet freezing order applies is administered.
 - (3) If the relevant court is satisfied that the applicant has suffered loss as a result of the detention of the cryptoassets or the making of the crypto wallet freezing order and that the circumstances are exceptional, the relevant court may order compensation to be paid to the applicant.
 - (4) The amount of compensation to be paid is the amount the relevant court thinks reasonable, having regard to the loss suffered and any other relevant circumstances.
 - (5) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by an officer of Revenue and Customs, the compensation is to be paid by the Commissioners for His Majesty's Revenue and Customs.

- (6) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by a constable, the compensation is to be paid as follows—
- (a) in the case of a constable of a police force in England and Wales, it is to be paid out of the police fund from which the expenses of the police force are met;
 - (b) in the case of a constable of the Police Service of Scotland, it is to be paid by the Scottish Police Authority;
 - (c) in the case of a police officer within the meaning of the Police (Northern Ireland) Act 2000, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.
- (7) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by a counter-terrorism financial investigator, the compensation is to be paid as follows—
- (a) in the case of a counter-terrorism financial investigator who was—
 - (i) a member of the civilian staff of a police force (including the metropolitan police force), within the meaning of Part 1 of the Police Reform and Social Responsibility Act 2011, or
 - (ii) a member of staff of the City of London police force,it is to be paid out of the police fund from which the expenses of the police force are met;
 - (b) in the case of a counter-terrorism financial investigator who was a member of staff of the Police Service of Northern Ireland, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.
- (8) If the cryptoassets were seized, or the crypto wallet freezing order was applied for, by an immigration officer, the compensation is to be paid by the Secretary of State.
- (9) If an order under paragraph 10Z7BB, 10Z7CA, 10Z7CD or 10Z7CE is made in respect of some of the cryptoassets detained or held, this paragraph has effect in relation to the remainder.
- (10) This paragraph does not apply if the relevant court makes an order under paragraph 10Z7CK or 10Z7CL.
- (11) In this paragraph “relevant court” means—
- (a) in England and Wales and Northern Ireland, a magistrates’ court;
 - (b) in Scotland, the sheriff.

PART 4BD

Conversion of cryptoassets

Interpretation

10Z7D(1) In this Part—

“converted cryptoassets” is to be read in accordance with paragraphs 10Z7DC and 10Z7DD;

“crypto wallet freezing order” has the same meaning as in Part 4BB (see paragraph 10Z7B(6));

“relevant court” means—

- (a) in England and Wales and Northern Ireland, a magistrates’ court;
- (b) in Scotland, the sheriff;

“relevant financial institution” has the same meaning as in Part 4B (see paragraph 10Q);

“UK-connected cryptoasset service provider” has the same meaning as in Part 4BB (see paragraph 10Z7B(7)).

- (2) Paragraph 10Z7B(6)(b) (administration of crypto wallets) applies in relation to this Part as it applies in relation to Part 4BB.
- (3) In this Part references to the conversion of cryptoassets into money are references to the conversion of cryptoassets into—
 - (a) cash, or
 - (b) money held in an account maintained with a relevant financial institution.
- (4) For the purposes of Parts 2 to 4, converted cryptoassets detained under this Part are not to be treated as cash detained under this Schedule.

Detained cryptoassets: conversion

- 10Z7DA(1) Sub-paragraph (2) applies while any cryptoassets are detained in pursuance of an order under paragraph 10Z7AE or 10Z7AG (including where cryptoassets are subject to forfeiture proceedings).
- (2) A person within sub-paragraph (3) may apply to the relevant court for an order requiring all of the cryptoassets detained pursuant to the order to be converted into money.
 - (3) The following persons are within this sub-paragraph—
 - (a) an authorised officer;
 - (b) a person from whom the cryptoassets were seized.
 - (4) In deciding whether to make an order under this paragraph, the court must have regard to whether the cryptoassets (as a whole) are likely to suffer a significant loss in value during the period before they are released or forfeited (including the period during which an appeal against an order for forfeiture may be made).
 - (5) Before making an order under this paragraph the court must give an opportunity to be heard to—
 - (a) the parties to the proceedings, and
 - (b) any other person who may be affected by its decision.
 - (6) As soon as practicable after an order is made under this paragraph, an authorised officer must convert the cryptoassets, or arrange for the cryptoassets to be converted, into money.
 - (7) The conversion of cryptoassets under sub-paragraph (6) must be carried out, so far as practicable, in the manner best calculated to maximise the amount of money obtained for the cryptoassets.
 - (8) At the first opportunity after the cryptoassets are converted, the authorised officer must arrange for the amount of money obtained for the cryptoassets to be paid into an interest-bearing account and held there.
 - (9) Interest accruing on the amount is to be added to it on its forfeiture or release.
 - (10) Where cryptoassets are converted into money in accordance with an order made under this paragraph—
 - (a) the cryptoassets are no longer to be treated as being detained in pursuance of an order under paragraph 10Z7AE or 10Z7AG, and
 - (b) any application made under paragraph 10Z7CA(2) in relation to the cryptoassets which has not yet been determined or otherwise disposed of (including under paragraph 10Z7CD or 10Z7CE) is to be treated as if it were an application made under paragraph 10Z7DG(2) in relation to the converted cryptoassets.

- (11) An order made under this paragraph must provide for notice to be given to persons affected by the order.
- (12) No appeal may be made against an order made under this paragraph.

Frozen crypto wallet: conversion

- 10Z7DB(1) This paragraph applies while a crypto wallet freezing order under paragraph 10Z7BB has effect (including where cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order are subject to forfeiture proceedings).
- (2) A person within sub-paragraph (3) may apply to the relevant court for an order requiring all of the cryptoassets held in the crypto wallet to be converted into money.
 - (3) The following persons are within this sub-paragraph—
 - (a) an authorised officer;
 - (b) a person by or for whom the crypto wallet is administered.
 - (4) In deciding whether to make an order under this paragraph, the court must have regard to whether the cryptoassets (as a whole) are likely to suffer a significant loss in value during the period before—
 - (a) the crypto wallet freezing order ceases to have effect, or
 - (b) the cryptoassets are forfeited (including the period during which an appeal against an order for forfeiture may be made).
 - (5) Before making an order under this paragraph the court must give an opportunity to be heard to—
 - (a) the parties to the proceedings, and
 - (b) any other person who may be affected by its decision.
 - (6) As soon as practicable after an order is made under this paragraph, the UK-connected cryptoasset service provider that administers the crypto wallet must convert the cryptoassets, or arrange for the cryptoassets to be converted, into money.
 - (7) The conversion of cryptoassets under sub-paragraph (6) must be carried out, so far as practicable, in the manner best calculated to maximise the amount of money obtained for the cryptoassets.
 - (8) At the first opportunity after the cryptoassets are converted, the UK-connected cryptoasset service provider must arrange for the amount of money obtained for the cryptoassets to be paid into an interest-bearing account nominated by an authorised officer and held there.
 - (9) But—
 - (a) the UK-connected cryptoasset service provider may deduct any reasonable expenses incurred by the provider in connection with the conversion of the cryptoassets, and
 - (b) the amount to be treated as the proceeds of the conversion of the cryptoassets is to be reduced accordingly.
 - (10) Interest accruing on the amount obtained for the cryptoassets is to be added to it on its forfeiture or release.
 - (11) Where cryptoassets are converted in accordance with an order made under this paragraph—
 - (a) the crypto wallet freezing order ceases to have effect,
 - (b) any application made under paragraph 10Z7CA(2) in relation to the cryptoassets which has not yet been determined or otherwise disposed of (including under paragraph 10Z7CD or 10Z7CE) is to be treated as if it were an application made under paragraph 10Z7DG(2) in relation to the converted cryptoassets, and

- (c) any application made under paragraph 10Z7CF(2) in relation to the crypto wallet which has not yet been determined or otherwise disposed of may not be proceeded with.
- (12) An order made under this paragraph must provide for notice to be given to persons affected by the order.
- (13) No appeal may be made against an order made under this paragraph.

Conversion: existing forfeiture proceedings

10Z7DC(1) Where—

- (a) cryptoassets are forfeited under paragraph 10Z7CA or 10Z7CE, and
- (b) before the cryptoassets are realised or destroyed in accordance with paragraph 10Z7CI, an order is made under paragraph 10Z7DA requiring the cryptoassets to be converted into money,

paragraph 10Z7DJ(1) applies in relation to the converted cryptoassets as if they had been detained under paragraph 10Z7DD and forfeited under paragraph 10Z7DG (and accordingly paragraph 10Z7CI ceases to apply).

(2) Where—

- (a) cryptoassets are forfeited under paragraph 10Z7CA or 10Z7CE, and
- (b) before the cryptoassets are realised or destroyed in accordance with paragraph 10Z7CI, an order is made under paragraph 10Z7DB requiring the cryptoassets to be converted into money,

paragraph 10Z7DJ(2) applies in relation to the converted cryptoassets as if they had been detained under paragraph 10Z7DE and forfeited under paragraph 10Z7DG (and accordingly paragraph 10Z7CI ceases to apply).

(3) Where—

- (a) an appeal may be made under paragraph 10Z7CG(1) or (2) in relation to the determination of an application under paragraph 10Z7CA(2) for the forfeiture of cryptoassets (including where paragraph 10Z7CD or 10Z7CE applies), and
- (b) an order is made under paragraph 10Z7DA or 10Z7DB requiring the cryptoassets to be converted into money,

the appeal may instead be made under paragraph 10Z7DH (within the time allowed by paragraph 10Z7CG(4)) as if it were an appeal against the determination of an application under paragraph 10Z7DG.

(4) Where—

- (a) an appeal is made under paragraph 10Z7CG(1) or (2) in relation to the determination of an application under paragraph 10Z7CA(2) for the forfeiture of cryptoassets (including where paragraph 10Z7CD or 10Z7CE applies), and
- (b) before the appeal is determined or otherwise disposed of, an order is made under paragraph 10Z7DA or 10Z7DB requiring the cryptoassets to be converted into money,

the appeal is to be treated as if it had been made under paragraph 10Z7DH(1) in relation to the determination of an application under paragraph 10Z7DG for the forfeiture of the converted cryptoassets.

Detained cryptoassets: detention of proceeds of conversion

10Z7DD(1) This paragraph applies where cryptoassets are converted into money in accordance with an order under paragraph 10Z7DA.

- (2) The proceeds of the conversion (the “converted cryptoassets”) may be detained initially until the end of the period that the cryptoassets could, immediately before the conversion, have been detained under Part 4BA (ignoring the possibility of any extension of that period).
- (3) The period for which the converted cryptoassets may be detained may be extended by an order made by the relevant court.
- (4) An order under sub-paragraph (3) may not authorise the detention of the converted cryptoassets beyond the end of the period of 2 years beginning with the relevant date; but this is subject to sub-paragraph (5).
- (5) The relevant court may make an order for the period of 2 years in sub-paragraph (4) to be extended to a period of up to 3 years beginning with the relevant date.
- (6) In sub-paragraphs (4) and (5) “the relevant date” means the date on which the first order under paragraph 10Z7AE or 10Z7AG (as the case may be) was made in relation to the cryptoassets.
- (7) An application for an order under sub-paragraph (3) or (5) may be made—
 - (a) in relation to England and Wales and Northern Ireland, by the Commissioners for His Majesty’s Revenue and Customs or an authorised officer;
 - (b) in relation to Scotland, by a procurator fiscal.
- (8) The relevant court may make an order under sub-paragraph (3) only if satisfied that there are reasonable grounds for suspecting that the converted cryptoassets to be further detained—
 - (a) are within subsection (1)(a) or (b) of section 1, or
 - (b) are property earmarked as terrorist property.
- (9) The relevant court may make an order under sub-paragraph (5) only if satisfied that a request for assistance is outstanding in relation to the cryptoassets mentioned in sub-paragraph (1).
- (10) A “request for assistance” in sub-paragraph (9) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the cryptoassets, made—
 - (a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003, or
 - (b) by an authorised officer, to an authority exercising equivalent functions in a foreign country.

Frozen crypto wallets: detention of proceeds of conversion

- 10Z7DE(1) This paragraph applies where cryptoassets held in a crypto wallet subject to a crypto wallet freezing order are converted into money in accordance with an order under paragraph 10Z7DB.
- (2) The proceeds of the conversion (the “converted cryptoassets”) may be detained initially until the end of the period that the crypto wallet freezing order was, immediately before the conversion, due to have effect under Part 4BB (ignoring the possibility of any extension of that period).
 - (3) The period for which the converted cryptoassets may be detained may be extended by an order made by the relevant court.
 - (4) An order under sub-paragraph (3) may not authorise the detention of the converted cryptoassets beyond the end of the period of 2 years beginning with the day on which the crypto wallet freezing order was made; but this is subject to sub-paragraph (5).

- (5) The relevant court may make an order for the period of 2 years in sub-paragraph (4) to be extended to a period of up to 3 years beginning with the day on which the crypto wallet freezing order was made.
- (6) An application for an order under sub-paragraph (3) or (5) may be made—
 - (a) in relation to England and Wales and Northern Ireland, by the Commissioners for His Majesty's Revenue and Customs or an authorised officer;
 - (b) in relation to Scotland, by a procurator fiscal.
- (7) The relevant court may make an order under sub-paragraph (3) only if satisfied that there are reasonable grounds for suspecting that the converted cryptoassets to be further detained—
 - (a) are within subsection (1)(a) or (b) of section 1, or
 - (b) are property earmarked as terrorist property.
- (8) The relevant court may make an order under sub-paragraph (5) only if satisfied that a request for assistance is outstanding in relation to the cryptoassets mentioned in sub-paragraph (1).
- (9) A "request for assistance" in sub-paragraph (8) means a request for assistance in obtaining evidence (including information in any form or article) in connection with the cryptoassets, made—
 - (a) by a judicial authority in the United Kingdom under section 7 of the Crime (International Co-operation) Act 2003, or
 - (b) by an authorised officer, to an authority exercising equivalent functions in a foreign country.

Release of detained converted cryptoassets

- 10Z7DF(1) This paragraph applies while any converted cryptoassets are detained under paragraph 10Z7DD or 10Z7DE.
- (2) The relevant court may, subject to sub-paragraph (7), direct the release of the whole or any part of the converted cryptoassets if the following condition is met.
 - (3) The condition is that, on an application by the relevant person, the court is not satisfied that there are reasonable grounds for suspecting that the converted cryptoassets to be released—
 - (a) are within subsection (1)(a) or (b) of section 1, or
 - (b) are property earmarked as terrorist property.
 - (4) In sub-paragraph (3) "the relevant person" means—
 - (a) in the case of converted cryptoassets detained under paragraph 10Z7DD, the person from whom the cryptoassets mentioned in sub-paragraph (1) of that paragraph were seized, and
 - (b) in the case of converted cryptoassets detained under paragraph 10Z7DE, any person affected by the crypto wallet freezing order mentioned in sub-paragraph (1) of that paragraph.
 - (5) A person within sub-paragraph (6) may, subject to sub-paragraph (7) and after notifying the magistrates' court or sheriff under whose order converted cryptoassets are being detained, release the whole or any part of the converted cryptoassets if satisfied that the detention is no longer justified.
 - (6) The following persons are within this sub-paragraph—
 - (a) in relation to England and Wales or Northern Ireland, an authorised officer;
 - (b) in relation to Scotland, a procurator fiscal.

- (7) Converted cryptoassets are not to be released under this paragraph (and so are to continue to be detained)—
- (a) if an application for their forfeiture under paragraph 10Z7DG is made, until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded;
 - (b) if (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the converted cryptoassets are connected, until the proceedings are concluded.

Forfeiture

10Z7DG(1) This paragraph applies while any converted cryptoassets are detained under paragraph 10Z7DD or 10Z7DE.

- (2) An application for the forfeiture of some or all of the converted cryptoassets may be made—
 - (a) to a magistrates' court by, the Commissioners for His Majesty's Revenue and Customs or an authorised officer;
 - (b) to the sheriff, by the Scottish Ministers.
- (3) The court or sheriff may order the forfeiture of some or all of the converted cryptoassets if satisfied that the converted cryptoassets to be forfeited—
 - (a) are within subsection (1)(a) or (b) of section 1, or
 - (b) are property earmarked as terrorist property.
- (4) But in the case of property which belongs to joint tenants, one of whom is an excepted joint owner, the order may not apply to so much of it as the court thinks is attributable to the excepted joint owner's share.
- (5) Where an application for forfeiture is made under this paragraph, the converted cryptoassets are to continue to be detained under paragraph 10Z7DD or 10Z7DE (and may not be released under any power conferred by this Part) until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded.
- (6) For the purposes of this paragraph—
 - (a) an excepted joint owner is a joint tenant who obtained the property in circumstances in which it would not (as against them) be earmarked, and
 - (b) references to the excepted joint owner's share of property are to so much of the property as would have been theirs if the joint tenancy had been severed.

Forfeiture: appeals

10Z7DH(1) Any party to proceedings for an order for the forfeiture of converted cryptoassets under paragraph 10Z7DG who is aggrieved by an order under that paragraph or by the decision of the court not to make such an order may appeal—

- (a) from an order or decision of a magistrates' court in England and Wales, to the Crown Court;
 - (b) from an order or decision of the sheriff, to the Sheriff Appeal Court;
 - (c) from an order or decision of a magistrates' court in Northern Ireland, to a county court.
- (2) An appeal under sub-paragraph (1) must be made before the end of the period of 30 days starting with the day on which the court makes the order or decision.
 - (3) The court hearing the appeal may make any order it thinks appropriate.
 - (4) If the court upholds an appeal against an order forfeiting the converted cryptoassets, it may, subject to sub-paragraph (5), order the release of some or all of the converted cryptoassets.

- (5) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the converted cryptoassets are connected, the converted cryptoassets are not to be released under this paragraph (and so are to continue to be detained) until the proceedings are concluded.

Extended time for appealing in certain cases where deproscription order made

10Z7DI(1) This paragraph applies where—

- (a) a successful application for an order under paragraph 10Z7DG relies (wholly or partly) on the fact that an organisation is proscribed,
 - (b) an application under section 4 of the Terrorism Act 2000 for a deproscription order in respect of the organisation is refused by the Secretary of State,
 - (c) the converted cryptoassets forfeited by the order under paragraph 10Z7DG were converted from cryptoassets which were seized under this Schedule on or after the date of the refusal of that application,
 - (d) an appeal against that refusal is allowed under section 5 of the Terrorism Act 2000,
 - (e) a deproscription order is made accordingly, and
 - (f) if the order is made in reliance on section 123(5) of the Terrorism Act 2000, a resolution is passed by each House of Parliament under section 123(5)(b) of that Act.
- (2) Where this paragraph applies, an appeal under paragraph 10Z7DH against the making of an order under paragraph 10Z7DG may be brought at any time before the end of the period of 30 days beginning with the date on which the deproscription order comes into force.
- (3) In this paragraph a “deproscription order” means an order under section 3(3)(b) or (8) of the Terrorism Act 2000.

Application of forfeited converted cryptoassets

10Z7DJ(1) Converted cryptoassets detained under paragraph 10Z7DD and forfeited under paragraph 10Z7DG, and any accrued interest on them, must be applied as follows—

- (a) first, they must be applied in making any payment of reasonable expenses incurred by an authorised officer in connection with the safe storage of the cryptoassets mentioned in paragraph 10Z7DD(1) during the period the cryptoassets were detained under Part 4BA;
 - (b) second, they must be applied in making any payment of reasonable expenses incurred by an authorised officer in connection with the conversion of those cryptoassets under paragraph 10Z7DA(6);
 - (c) third, they must be applied in making any payment of reasonable expenses incurred by an authorised officer in connection with the detention of the converted cryptoassets under this Part;
 - (d) fourth, they must be paid—
 - (i) if forfeited by a magistrates’ court in England and Wales or Northern Ireland, into the Consolidated Fund, and
 - (ii) if forfeited by the sheriff, into the Scottish Consolidated Fund.
- (2) Converted cryptoassets detained under paragraph 10Z7DE and forfeited under paragraph 10Z7DG, and any accrued interest on them, must be applied as follows—
- (a) first, they must be applied in making any payment of reasonable expenses incurred by an authorised officer in connection with the detention of the converted cryptoassets under this Part;
 - (b) second, they must be paid—
 - (i) if forfeited by a magistrates’ court in England and Wales or Northern Ireland, into the Consolidated Fund, and
 - (ii) if forfeited by the sheriff, into the Scottish Consolidated Fund.

- (3) But converted cryptoassets are not to be applied or paid under sub-paragraph (1) or (2)—
 - (a) before the end of the period within which an appeal under paragraph 10Z7DH may be made, or
 - (b) if a person appeals under that paragraph, before the appeal is determined or otherwise disposed of.

Victims etc

10Z7DK(1) This paragraph applies where converted cryptoassets are detained under this Part.

- (2) Where this paragraph applies, a person (“P”) who claims that the relevant cryptoassets belonged to P immediately before—
 - (a) the relevant cryptoassets were seized, or
 - (b) the crypto wallet freezing order was made in relation to the crypto wallet in which the relevant cryptoassets were held,may apply to the relevant court for some or all of the converted cryptoassets to be released to P.
- (3) The application may be made in the course of proceedings under paragraph 10Z7DD, 10Z7DE or 10Z7DG or at any other time.
- (4) The relevant court may, subject to sub-paragraph (9), order the converted cryptoassets to which the application relates to be released to the applicant if it appears to the relevant court that the condition in sub-paragraph (5) is met.
- (5) The condition in this sub-paragraph is that—
 - (a) the applicant was deprived of the relevant cryptoassets, or of property which they represent, by criminal conduct,
 - (b) the relevant cryptoassets the applicant was deprived of were not, immediately before the applicant was deprived of them, property obtained by or in return for criminal conduct and nor did they then represent such property, and
 - (c) the relevant cryptoassets belonged to the applicant immediately before—
 - (i) the relevant cryptoassets were seized, or
 - (ii) the crypto wallet freezing order was made in relation to the crypto wallet in which the relevant cryptoassets were held.
- (6) If sub-paragraph (7) applies, the relevant court may, subject to sub-paragraph (9), order the converted cryptoassets to which the application relates to be released to the applicant or to the person from whom the relevant cryptoassets were seized.
- (7) This sub-paragraph applies where—
 - (a) the applicant is not the person from whom the relevant cryptoassets were seized,
 - (b) it appears to the relevant court that the relevant cryptoassets belonged to the applicant immediately before—
 - (i) the relevant cryptoassets were seized, or
 - (ii) the crypto wallet freezing order was made in relation to the crypto wallet in which the relevant cryptoassets were held,
 - (c) the relevant court is satisfied that the release condition is met in relation to the converted cryptoassets, and
 - (d) no objection to the making of an order under sub-paragraph (6) has been made by the person from whom the relevant cryptoassets were seized.
- (8) The release condition is met—
 - (a) if the conditions in this Part for the detention of the converted cryptoassets are no longer met, or

- (b) in relation to converted cryptoassets which are subject to an application for forfeiture under paragraph 10Z7DG, if the court or sheriff decides not to make an order under that paragraph in relation to the converted cryptoassets.
- (9) If (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the converted cryptoassets are connected, the converted cryptoassets are not to be released under this paragraph (and so are to continue to be detained) until the proceedings are concluded.
- (10) Where sub-paragraph (2)(b) applies, references in this paragraph to a person from whom relevant cryptoassets were seized include a reference to a person by or for whom the crypto wallet mentioned in that provision was administered immediately before the crypto wallet freezing order was made in relation to the crypto wallet.
- (11) In this paragraph “the relevant cryptoassets” means—
- (a) in relation to converted cryptoassets detained under paragraph 10Z7DD, some or all of the cryptoassets mentioned in sub-paragraph (1) of that paragraph, and
 - (b) in relation to converted cryptoassets detained under paragraph 10Z7DE, some or all of the cryptoassets mentioned in sub-paragraph (1) of that paragraph.

Compensation

- 10Z7DL(1) This paragraph applies if no order is made under paragraph 10Z7DG in respect of converted cryptoassets detained under this Part.
- (2) Where this paragraph applies, the following may make an application to the relevant court for compensation—
- (a) a person to whom the relevant cryptoassets belonged immediately before they were seized;
 - (b) a person from whom the relevant cryptoassets were seized;
 - (c) a person by or for whom the crypto wallet mentioned in paragraph 10Z7DE(1) was administered immediately before the crypto wallet freezing order was made in relation to the crypto wallet.
- (3) If the relevant court is satisfied that—
- (a) the applicant has suffered loss as a result of—
 - (i) the conversion of the relevant cryptoassets into money, or
 - (ii) the detention of the converted cryptoassets, and
 - (b) the circumstances are exceptional,
- the relevant court may order compensation to be paid to the applicant.
- (4) The amount of compensation to be paid is the amount the relevant court thinks reasonable, having regard to the loss suffered and any other relevant circumstances.
- (5) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by an officer of Revenue and Customs, the compensation is to be paid by the Commissioners for His Majesty’s Revenue and Customs.
- (6) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by a constable, the compensation is to be paid as follows—
- (a) in the case of a constable of a police force in England and Wales, it is to be paid out of the police fund from which the expenses of the police force are met;
 - (b) in the case of a constable of the Police Service of Scotland, it is to be paid by the Scottish Police Authority;
 - (c) in the case of a police officer within the meaning of the Police (Northern Ireland) Act 2000, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.

- (7) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by a counter-terrorism financial investigator, the compensation is to be paid as follows—
- (a) in the case of a counter-terrorism financial investigator who was—
 - (i) a member of the civilian staff of a police force (including the metropolitan police force), within the meaning of Part 1 of the Police Reform and Social Responsibility Act 2011, or
 - (ii) a member of staff of the City of London police force,
 it is to be paid out of the police fund from which the expenses of the police force are met;
 - (b) in the case of a counter-terrorism financial investigator who was a member of staff of the Police Service of Northern Ireland, it is to be paid out of money provided by the Chief Constable of the Police Service of Northern Ireland.
- (8) If the relevant cryptoassets were seized, or the relevant crypto wallet freezing order was applied for, by an immigration officer, the compensation is to be paid by the Secretary of State.
- (9) This paragraph does not apply if the relevant court makes an order under paragraph 10Z7DK.
- (10) In this paragraph—
- “the relevant cryptoassets” means—
- (a) in relation to converted cryptoassets detained under paragraph 10Z7DD, the cryptoassets mentioned in sub-paragraph (1) of that paragraph;
 - (b) in relation to converted cryptoassets detained under paragraph 10Z7DE, the cryptoassets mentioned in sub-paragraph (1) of that paragraph;
- “the relevant crypto wallet freezing order”, in relation to converted cryptoassets detained under paragraph 10Z7DE, means the crypto wallet freezing order mentioned in sub-paragraph (1) of that paragraph.”
- 3 In Part 1, in paragraph 1(1) (terrorist cash), for “and 4B” substitute “to 4BD”.
- 4 In Part 4B (forfeiture of terrorist money held in bank and building society accounts), after paragraph 10Z6 insert—

“Victims etc

- 10Z6A(1) A person who claims that money in respect of which an account freezing order has been made belongs to them may apply to the relevant court for the money to be released.
- (2) The application may be made in the course of proceedings under paragraph 10S or 10Z2 or at any other time.
 - (3) The court may, subject to sub-paragraph (7), order the money to which the application relates to be released to the applicant if it appears to the court that—
 - (a) the applicant was deprived of the money to which the application relates, or of property which it represents, by criminal conduct,
 - (b) the money the applicant was deprived of was not, immediately before the applicant was deprived of it, property obtained by or in return for criminal conduct and nor did it then represent such property, and
 - (c) the money belongs to the applicant.

- (4) If sub-paragraph (5) applies, the court may, subject to sub-paragraph (7), order the money to which the application relates to be released to the applicant.
- (5) This sub-paragraph applies where—
- (a) the applicant is not the person from whom the money to which the application relates was seized,
 - (b) it appears to the court that the money belongs to the applicant,
 - (c) the court is satisfied that the release condition is met in relation to the money, and
 - (d) no objection to the making of an order under sub-paragraph (4) has been made by the person from whom the money was seized.
- (6) The release condition is met—
- (a) in relation to money held in a frozen account, if the conditions for making an order under paragraph 10S in relation to the money are no longer met, or
 - (b) in relation to money held in a frozen account which is subject to an application for forfeiture under paragraph 10Z2, if the court or sheriff decides not to make an order under that paragraph in relation to the money.
- (7) Money is not to be released under this paragraph—
- (a) if an account forfeiture notice under paragraph 10W is given in respect of the money, until any proceedings in pursuance of the notice (including any proceedings on appeal) are concluded;
 - (b) if an application for its forfeiture under paragraph 10Z2, is made, until any proceedings in pursuance of the application (including any proceedings on appeal) are concluded;
 - (c) if (in the United Kingdom or elsewhere) proceedings are started against any person for an offence with which the cash is connected, until the proceedings are concluded.
- (8) In relation to money held in an account that is subject to an account freezing order, references in this paragraph to a person from whom money was seized include a reference to a person by or for whom the account was operated immediately before the account freezing order was made.”

5 In Part 6, in paragraph 19(1), at the appropriate places insert—

““cryptoasset” has the meaning given by paragraph 10Z7A(1);”;

““crypto wallet” has the meaning given by paragraph 10Z7A(1);”;

““justice of the peace”, in relation to Northern Ireland, means lay magistrate;”;

““terrorist cryptoasset” has the meaning given by paragraph 10Z7A(1);”.

Part 2

Amendments to the Terrorism Act 2000

6 The Terrorism Act 2000 is amended as follows.

7 In Schedule 6 (financial information)—

(a) in paragraph 6(1) (meaning of financial institution)—

(i) omit the “and” after paragraph (ha), and

(ii) after paragraph (i) insert—

“(j) a cryptoasset exchange provider, and

- (k) a custodian wallet provider.”;
- (b) after sub-paragraph (1AA) insert—

“(1AB) For the purposes of sub-paragraph (1)(j), “cryptoasset exchange provider” means a firm or sole practitioner who by way of business provides one or more of the following services, including where the firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved—

- (a) exchanging or arranging or making arrangements with a view to the exchange of, cryptoassets for money or money for cryptoassets,
- (b) exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another, or
- (c) operating a machine which utilises automated processes to exchange cryptoassets for money or money for cryptoassets.

(1AC) For the purposes of sub-paragraph (1)(k), “custodian wallet provider” means a firm or sole practitioner who by way of business provides services to safeguard, or to safeguard and administer—

- (a) cryptoassets on behalf of its customers, or
- (b) private cryptographic keys on behalf of its customers in order to hold, store and transfer cryptoassets.

(1AD) For the purposes of sub-paragraphs (1AB) and (1AC), “cryptoasset” means a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically.

(1AE) For the purposes of sub-paragraph (1AB)—

- (a) “cryptoasset” includes a right to, or interest in, the cryptoasset;
- (b) “money” means—
 - (i) money in sterling,
 - (ii) money in any other currency, or
 - (iii) money in any other medium of exchange,but does not include a cryptoasset.

(1AF) The Secretary of State may by regulations amend the definitions in sub-paragraphs (1AB) to (1AE).”

8 In section 123 (orders and regulations), after subsection (6ZE) insert—

“(6ZF) Regulations under paragraph 6(1AF) of Schedule 6 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

Part 1 of this Schedule amends the Anti-terrorism, Crime and Security Act 2001 to make provision for a civil recovery regime in relation to terrorist cryptoassets. Part 2 of this Schedule amends the Terrorism Act 2000 to make provision about financial institutions and cryptoassets.

Order of the House

[13 October 2022]

That the following provisions shall apply to the Economic Crime and Corporate Transparency Bill:

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 29 November 2022.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and on Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings 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 Third Reading.

Other proceedings

7. Any other proceedings on the Bill may be programmed.
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Order of the Committee

[25 October 2022]

That—

1. the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 25 October) meet—
 - (a) at 2.00 pm on Tuesday 25 October;
 - (b) at 11.30 am and 2.00 pm on Thursday 27 October;
 - (c) at 9.25 am and 2.00 pm on Tuesday 1 November;
 - (d) at 11.30 am and 2.00 pm on Thursday 3 November;
 - (e) at 9.25 am and 2.00 pm on Tuesday 8 November;
 - (f) at 9.25 am and 2.00 pm on Tuesday 15 November;
 - (g) at 11.30 am and 2.00 pm on Thursday 17 November;

(h) at 9.25 am and 2.00 pm on Tuesday 22 November;

(i) at 11.30 am and 2.00 pm on Thursday 24 November;

2. the Committee shall hear oral evidence in accordance with the following Table:

| Date | Time | Witness |
|---------------------|--------------------------------|--|
| Tuesday 25 October | Until no later than 10.10 am | UK Finance; British Private Equity & Venture Capital Association |
| Tuesday 25 October | Until no later than 10.30 am | Lloyds Bank |
| Tuesday 25 October | Until no later than 11.05 am | The National Police Chiefs Council; Arianna Trozze |
| Tuesday 25 October | Until no later than 11.25 am | Jonathan Hall KC, Independent Reviewer of Terrorism Legislation |
| Tuesday 25 October | Until no later than 2.30 pm | Companies House; National Economic Crime Centre (National Crime Agency) |
| Tuesday 25 October | Until no later than 3.00 pm | City of London Police; Serious Fraud Office; The National Police Chiefs Council |
| Tuesday 25 October | Until no later than 3.45 pm | Spotlight on Corruption; Global Coalition to Fight Financial Crime; UK Anti-Corruption Coalition |
| Tuesday 25 October | Until no later than 4.15 pm | Oliver Bullough; Bill Browder |
| Tuesday 25 October | Until no later than 4.45 pm | Professor John Heathershaw, University of Exeter; Chatham House |
| Thursday 27 October | Until no later than 12.00 noon | Centre for Financial Crime and Security Studies at RUSI; Transparency International |
| Thursday 27 October | Until no later than 12.30 pm | OpenCorporates; Elspeth Berry, Nottingham Law School |
| Thursday 27 October | Until no later than 1.00 pm | Graham Barrow |
| Thursday 27 October | Until no later than 2.20 pm | Institute of Chartered Accountants in England and Wales |
| Thursday 27 October | Until no later than 2.50 pm | The Chartered Governance Institute UK & Ireland; City of London Law Society |
| Thursday 27 October | Until no later than 3.10 pm | Catherine Belton |
| Thursday 27 October | Until no later than 3.30 pm | Professor Jason Sharman, University of Cambridge |

3. proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 48; Schedule 1; Clauses 49 and 50; Schedule 2; Clauses 51 to 90; Schedule 3; Clauses 91 to 100; Schedule 4; Clauses 101 to 134; Schedule 5; Clauses 135 to 141; Schedule 6; Clause 142; Schedule 7; Clause 143 to 153; Schedule 8; Clauses 154 to 162; new Clauses; new Schedules; remaining proceedings on the Bill;
 4. the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 29 November.
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