

# Economic Crime and Corporate Transparency Bill

## LORDS AMENDMENTS

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[The page and line references are to HL Bill 96, the bill as first printed for the Lords]

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### Clause 1

- 1 Page 2, line 2, leave out from “that” to end of line 3 and insert “information contained in the register is accurate and that the register contains everything it ought to contain.”
- 2 Page 2, line 5, leave out from “to” to “a” on line 6 and insert “ensure that records kept by the registrar do not create”
- 3 Page 2, leave out lines 8 to 10 and insert –  
“Objective 4 is to prevent companies and others from –  
(a) carrying out unlawful activities, or  
(b) facilitating the carrying out by others of unlawful activities.”
- 4 Page 2, line 10, at end insert –  
“(2) In Objective 2 the reference to “the register” includes any records kept by the registrar under any enactment.”

### Clause 2

- 5 *Leave out Clause 2*

### Clause 4

- 6 *Leave out Clause 4*

### After Clause 4

- 7 Insert the following new Clause –  
**“Information about subscribers**  
(1) The Companies Act 2006 is amended as follows.

- (2) In section 9 (registration documents) –
- (a) after subsection (3) insert –
- “(3A) The application must contain –
- (a) a statement of the required information about each of the subscribers to the memorandum of association (see section 9A),
- (b) a statement that none of the subscribers to the memorandum of association is disqualified under the directors disqualification legislation (see section 159A(2)),
- (c) if any of them would be so disqualified but for the permission of a court to act, a statement to that effect, in respect of each of them, specifying –
- (i) the subscriber’s name,
- (ii) the court by which permission was given, and
- (iii) the date on which permission was given, and
- (d) if any of them would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect, in respect of each of them, specifying –
- (i) the subscriber’s name, and
- (ii) the date on which it was issued and by whom it was issued.”
- (b) after subsection (6) insert –
- “(7) In subsection (3A)(c) “permission of a court to act” means permission of a court under a provision mentioned in column 2 of the table in section 159A(2).”
- (3) After section 9 insert –
- “9A Required information about the subscribers**
- (1) The required information about a subscriber who is an individual is –
- (a) name;
- (b) a service address.
- (2) The required information about a subscriber that is a body corporate, or a firm that is a legal person under the law by which it is governed, is –
- (a) corporate or firm name;
- (b) a service address.
- (3) In subsection (1) “name” means the individual’s forename and surname.

- (4) Where a subscriber is a peer or an individual usually known by a title, that title may be stated in the application for the registration of the company instead of the subscriber's forename and surname.
- (5) The Secretary of State may by regulations –
  - (a) amend this section so as to change the required information about a subscriber;
  - (b) repeal subsection (4).
- (6) Regulations under this section are subject to affirmative resolution procedure.”
- (4) In subsection 10 (statement of capital and initial shareholdings), omit subsection (3).
- (5) In subsection 11 (statement of guarantee), omit subsection (2).”

#### Clause 5

8 Page 3, line 17, leave out “191(7)” and insert “(*Transitional provision*)(1)”

#### Clause 6

9 Page 4, line 8, after second “permission” insert “of a court”

10 Page 4, line 9, at end insert –

- “(7) Where any of the persons named as directors would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, the statement must also include a statement to that effect, in respect of each of them, specifying –
- (a) the person's name, and
  - (b) the date on which the licence was issued and by whom it was issued.”

#### Clause 7

11 Page 4, line 26, at end insert “, and

- (c) if any of them would be so disqualified by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect, in respect of each of them, specifying –
  - (i) the person's name, and
  - (ii) the date on which the licence was issued and by whom it was issued.”

12 Page 4, line 29, after second “permission” insert “of a court”

**Clause 31**

- 13 Page 21, line 1, leave out from second “the” to end of line 2 and insert “meaning given by section 1060(3) of the Companies Act 2006.”

**Clause 36**

- 14 *Leave out Clause 36*

**After Clause 36**

- 15 Insert the following new Clause –

**“Power to impose director disqualification sanctions**

- (1) The Sanctions and Anti-Money Laundering Act 2018 is amended as follows.
- (2) In section 1 (power to make sanctions regulations), in subsection (5), after paragraph (a) insert –
  - “(ab) impose director disqualification sanctions (see section 3A);”.
- (3) After section 3 insert –

**“3A Director disqualification sanctions**

- (1) For the purposes of section 1(5)(ab) regulations “impose director disqualification sanctions” if they provide for designated persons (see section 9) to be persons subject to director disqualification sanctions for the purposes of –
  - (a) section 11A of the Company Directors Disqualification Act 1986, and
  - (b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.
- (2) As to the effect of such provision, see –
  - (a) section 11A of the Company Directors Disqualification Act 1986, and
  - (b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.”
- (4) In section 9 (“designated persons”) –
  - (a) in subsection (1), for “3 and 4” substitute “3 to 4”;
  - (b) in subsection (3), after “3,” insert “3A,”.
- (5) In section 15 (exceptions and licences), after subsection (3) insert –

“(3A) Where regulations provide for designated persons to be persons subject to director disqualification sanctions for the purposes of section 11A of the Company Directors Disqualification Act 1986 and Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002, the regulations may –

  - (a) create exceptions from subsection (1) of that section or paragraph (1) of that Article;
  - (b) confer power on an appropriate Minister to issue a licence to authorise a designated person to do anything that would otherwise be prohibited by subsection (1) of that section or paragraph (1) of that Article.

- (3B) Regulations may, as respects any licences provided for under subsection (3A), make any provision mentioned (in relation to licences) in subsection (3).”

16 Insert the following new Clause –

**“Disqualification of persons designated under sanctions legislation: GB**

- (1) The Company Directors Disqualification Act 1986 is amended as follows.  
 (2) After section 11 insert –

**“11A Designated persons under sanctions legislation**

- (1) It is an offence for a person who is subject to director disqualification sanctions to act as a director of a company or directly or indirectly to take part in or be concerned in the promotion, formation or management of a company (but see subsection (2)).
- (2) Subsection (1) does not apply –
- (a) to the extent that an exception from subsection (1) has been created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, or
  - (b) to anything done under the authority of a licence issued by virtue of section 15(3A) of that Act.
- (3) It is a defence for a person charged with an offence under this section to prove that they did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions at the time at which they engaged in that conduct.
- (4) In this section “person who is subject to director disqualification sanctions” means a person who under regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 is a person subject to director disqualification sanctions for the purposes of this section and Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (see section 3A of the Sanctions and Anti-Money Laundering Act 2018).”
- (3) In section 13 (criminal penalties), after “section 11” insert “or 11A”.
- (4) In section 14 (offences by body corporate), for subsection (1) substitute –
- “(1) Where –
- (a) a body corporate is –
    - (i) guilty of an offence of acting in contravention of a disqualification order or disqualification undertaking or in contravention of section 12A or 12B, or
    - (ii) guilty of an offence under section 11A, and
  - (b) it is proved that the offence occurred with the consent or connivance of, or was attributable to any neglect on the part of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity,
- the person, as well as the body corporate, is guilty of the offence and liable to be proceeded against and punished accordingly.”

- (5) In section 15 (personal liability for company's debts where person acts while disqualified) –
- (a) in subsection (1)(a), after “section 11” insert “, 11A”;
  - (b) omit the “or” at the end of subsection (1)(a);
  - (c) after subsection (1)(b) insert “, or
    - (c) as a person who is involved in the management of the company, they act or are willing to act on instructions where –
      - (i) the instructions are given by a person whom they know at that time to be subject to director disqualification sanctions (within the meaning of section 11A),
      - (ii) the giving of the instructions does not fall within any exception from section 11A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and
      - (iii) the instructions are not authorised,  
(but see subsection (3A)).”;
  - (d) in subsection (3)(b), after “(b)” insert “or (c)”;
  - (e) after subsection (3) insert –

“(3A) But –

    - (a) a person who is subject to director disqualification sanctions (within the meaning of section 11A) is not personally responsible under subsection (1)(a) for any relevant debts of the company incurred at a time when the person did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions;
    - (b) a person is not personally responsible under subsection (1)(c) for any relevant debts of the company incurred at a time when the person reasonably believed that the instructions were authorised.”;
  - (f) after subsection (5) insert –

“(6) Subsection (7) applies where a person (“P”) at any time –

    - (a) was involved in the management of a company, and
    - (b) acted on instructions where –
      - (i) the instructions were given by a person (“D”) whom P knew at that time to be subject to director disqualification sanctions (within the meaning of section 11A),
      - (ii) the giving of the instructions did not fall within any exception from section 11A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and
      - (iii) the instructions were not authorised,  
unless P reasonably believed at that time that the instructions were authorised.

- (7) For the purposes of this section P is presumed, unless the contrary is shown, to have been willing at any time thereafter to act on any instructions given by D.
- (8) For the purposes of this section instructions are “authorised” if they are given under the authority of a licence issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018.”
- (6) In section 18 (register of disqualification orders and undertakings), in subsection (2A), after paragraph (c) insert—
- “(d) persons who are subject to director disqualification sanctions within the meaning of section 11A;
- (e) any licences issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018.”
- (7) In section 21 (interaction with Insolvency Act), in subsection (4), after “section 11” insert “, 11A”.

### Clause 38

17 *Leave out Clause 38*

### After Clause 38

18 Insert the following new Clause—

#### **“Disqualification of persons designated under sanctions legislation: NI**

- (1) The Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) is amended as follows.
- (2) After Article 15 insert—

#### **“15A Designated persons under sanctions legislation**

- (1) It is an offence for a person who is subject to director disqualification sanctions to act as a director of a company or directly or indirectly to take part in or be concerned in the promotion, formation or management of a company (but see paragraph (2)).
- (2) Paragraph (1) does not apply—
- (a) to the extent that an exception from paragraph (1) has been created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, or
- (b) to anything done under the authority of a licence issued by virtue of section 15(3A) of that Act.
- (3) It is a defence for a person charged with an offence under this Article to prove that they did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions at the time at which they engaged in that conduct.

- (4) In this Article “person who is subject to director disqualification sanctions” means a person who under regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 is a person subject to director disqualification sanctions for the purposes of this Article and section 11A of the Company Directors Disqualification Act 1986 (see section 3A of the Sanctions and Anti-Money Laundering Act 2018).”
- (3) In Article 18 (criminal penalties) –
- (a) omit “15,”;
  - (b) for “and” substitute “; and any person guilty of an offence under this Article or Article 15 or 15A”.
- (4) In Article 19 (personal liability for company’s debts where person acts while disqualified) –
- (a) in paragraph (1)(a), after “Article 15” insert “, 15A”;
  - (b) omit the “or” at the end of paragraph (1)(a);
  - (c) after paragraph (1)(b) insert “, or
    - (c) as a person who is involved in the management of the company, they act or are willing to act on instructions where –
      - (i) the instructions are given by a person whom they know at that time to be subject to director disqualification sanctions (within the meaning of Article 15A),
      - (ii) the giving of the instructions does not fall within any exception from Article 15A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and
      - (iii) the instructions are not authorised,  
(but see paragraph (3A)).”
  - (d) in paragraph (3)(b), after “(1)(b)” insert “or (c)”;
  - (e) after paragraph (3) insert –

“(3A) But –

    - (a) a person who is subject to director disqualification sanctions (within the meaning of Article 15A) is not personally responsible under paragraph (1)(a) for any relevant debts of the company incurred at a time when the person did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions;
    - (b) a person is not personally responsible under paragraph (1)(c) for any relevant debts of the company incurred at a time when the person reasonably believed that the instructions were authorised.”;
  - (f) in paragraph (5), in the closing words, after “given” insert “by”;
  - (g) after paragraph (5) insert –

“(6) Paragraph (7) applies where a person (“P”) at any time –

    - (a) was involved in the management of a company, and



- (b) acted on instructions where—
- (i) the instructions were given by a person (“D”) whom P knew at that time to be subject to director disqualification sanctions (within the meaning of Article 15A),
  - (ii) the giving of the instructions did not fall within any exception from Article 15A(1) created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, and
  - (iii) the instructions were not authorised,
- unless P reasonably believed at that time that the instructions were authorised.
- (7) For the purposes of this Article P is presumed, unless the contrary is shown, to have been willing at any time thereafter to act on any instructions given by D.
- (8) For the purposes of this Article instructions are “authorised” if they are given under the authority of a licence issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018.”
- (5) In Article 22 (register of disqualification orders and undertakings), in paragraph (3), after sub-paragraph (c) insert—
- “(d) persons who are subject to director disqualification sanctions within the meaning of Article 15A;
  - (e) any licences issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018 that authorise such a person to do anything that would otherwise be prohibited by Article 15A(1).”

#### Clause 40

19 Page 27, line 5, column 2, after “court” insert “or the authority of a licence, or in respect of which an exception applies,”

20 Page 27, leave out lines 14 to 17 and insert—

<p>“P is subject to director disqualification sanctions within the meaning of section 11A of the Company Directors Disqualification Act 1986.</p>	<p>Section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018 (exceptions and licences).”</p>
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21 Page 28, leave out lines 11 to 15 and insert—

<p>“P is subject to director disqualification sanctions within the meaning of Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.</p>	<p>Section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018 (exceptions and licences).”</p>
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**Clause 46**

22 *Leave out Clause 46*

**After Clause 46**

23 Insert the following new Clause –

**“Register of members: information to be included and powers to obtain it**

- (1) The Companies Act 2006 is amended as follows.
- (2) In section 112 (the members of a company), at the end insert –
  - “(4) Where an individual’s name is entered in a company’s register of members but is not in the form required by section 113A, that does not affect the person becoming a member of the company by virtue of subsection (2).”
- (3) For the italic heading “General” at the beginning of Chapter 2 of Part 8 substitute “Duty to keep register”.
- (4) In section 113 (register of members) –
  - (a) for subsection (2) substitute –
    - “(2) There must be entered in the register, in respect of each person who is a member –
      - (a) the required information (see sections 113A and 113B), and
      - (b) the date on which the person was registered as a member.
    - (2A) Where a person ceases to be a member there must be entered in the register the date at which the person’s membership ceased.”;
  - (b) in subsection (3), omit “, with the names and addresses of the members,”;
  - (c) in subsection (5), after “show a single” insert “service”;
  - (d) in subsection (6), omit “, with the names and addresses of the members,”;
  - (e) after subsection (6) insert –
    - “(6A) Where any of the information required to be entered in a company’s register of members changes and, at the time of the change, it is a non-traded company –
      - (a) the fact that the information has changed does not relieve the company from the obligation to include the old information in the register if it has not already done so,
      - (b) the old information must be retained in the register until its removal is authorised by section 121 or by court order under section 125, and
      - (c) a note must be included in the register recording the date on which the information changed and the date on which the change was entered in the register.”

- (6B) Where any of the information required to be entered in a company's register of members changes and, at the time of the change, it is a traded company, the company is not required to include or retain the old information in the register.
- (6C) The Secretary of State may by regulations—
- (a) amend subsection (6A) so as to provide for it to apply in relation to traded companies, and
  - (b) repeal subsection (6B) in consequence.
- (6D) Regulations under subsection (6C) are subject to affirmative resolution procedure.”;
- (f) in subsection (7), after “If” insert “, without reasonable excuse,”;
- (g) after subsection (8) insert—
- “(9) In this section—
- “non-traded company” means a company that is not a traded company;
- “relevant market” has the meaning given by section 853E(6);
- “traded company” means a company any of whose shares are admitted to trading on a relevant market or on any other market which is outside the United Kingdom.”
- (5) After section 113 insert—

**“113A Required information about members: individuals**

- (1) The required information about a member who is an individual is—
  - (a) name;
  - (b) a service address.
- (2) In this section “name” means forename and surname.
- (3) Where a member is a peer or an individual usually known by a title—
  - (a) any requirement imposed by section 113E or 113F, or by a notice under section 113G, to provide their name may be satisfied by providing their title instead;
  - (b) the title may be entered in the register of members instead of their forename and surname (and references in any enactment to the name of a person entered in a company's register of members are to be construed accordingly).

**113B Required information about members: corporate members and firms**

The required information about a member that is a body corporate, or a firm that is a legal person under the law by which it is governed, is—

- (a) corporate or firm name;
- (b) a service address.

**113C Required information about members: nominees**

The required information about a member includes a statement by the individual, or where the member is a body corporate, or a firm that is a legal person under the law by which it is governed, by an officer of that body corporate or firm, as to whether or not they are holding the shares on behalf of, or subject to the direction of, another person or persons, and if they are –

- (a) where any such person is an individual, the information required by section 113A in relation to that individual;
- (b) where any such person is a body corporate or firm that is a legal person under the law by which it is governed, the information required by section 113B in relation to that body corporate or firm.”

**113D Power to amend the required information**

- (1) The Secretary of State may by regulations –
  - (a) make provision changing the required information about a member for the purposes of this Chapter;
  - (b) repeal section 113A(3).
- (2) The provision that may be made in regulations under subsection (1)(a) includes provision amending this Chapter.
- (3) The consequential provision that may be made in regulations under subsection (1)(a) by virtue of section 1292(1) also includes provision amending section 51 of the Economic Crime and Corporate Transparency Act 2023.
- (4) Regulations under subsection (1) are subject to affirmative resolution procedure.

**113E Duty on new members to notify required information**

- (1) A person who becomes a member of a company must provide the company with the required information about the member (see sections 113A and 113B).
- (2) Subsection (1) does not apply if or to the extent that –
  - (a) the person has already provided the information to the company, or
  - (b) the person becomes a member of the company on its incorporation and the information is contained in the application for the registration of the company.
- (3) A person must comply with this section within the period of two months beginning with the date on which the person became a member.

**113F Duty on member to notify changes to required information**

- (1) A person who is a member of a company must give notice to the company of any change in the required information about the member (see sections 113A and 113B).
- (2) The notice must specify the date on which the change occurred.
- (3) A person must comply with this section within the period of two months beginning with the date on which the change occurred.

**113G Power for company to require information from members**

- (1) A company may, for the purposes of ensuring that its register of members includes the information that it is required to include, require a member or former member of the company to provide any of the required information about the member or former member (see sections 113A and 113B).
- (2) The notice must require the recipient to comply with it within the period of one month beginning with the date on which the notice is given.

**113H Failure to comply with section 113E, 113F or 113G**

- (1) A person who, without reasonable excuse, fails to comply with section 113E or 113F commits an offence.
- (2) A person who, without reasonable excuse, fails to comply with a notice under section 113G commits an offence.
- (3) Where an offence under subsection (1) or (2) is committed by a firm, the offence is also committed by every officer of the firm who is in default.
- (4) A person guilty of an offence under this section is liable—
  - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
  - (b) on summary conviction—
    - (i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);
    - (ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum;
    - (iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum.

**113I Basic false statement offences in connection with sections 113E to 113G**

- (1) A person commits an offence if, in purported compliance with section 113E or 113F and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.
- (2) A person commits an offence if, in purported compliance with a notice under section 113G and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.
- (3) Where an offence under subsection (1) or (2) is committed by a firm, the offence is also committed by every officer of the firm who is in default.

- (4) A person guilty of an offence under this section is liable—
  - (a) on summary conviction in England and Wales, to a fine;
  - (b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;
  - (c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

**113J Aggravated false statement offences in connection with sections 113E to 113G**

- (1) A person commits an offence if, in purported compliance with section 113E or 113F, the person makes a statement that the person knows to be misleading, false or deceptive in a material particular.
- (2) A person commits an offence if, in purported compliance with a notice under section 113G, the person makes a statement that the person knows to be misleading, false or deceptive in a material particular.
- (3) Where an offence under subsection (1) or (2) is committed by a firm, the offence is also committed by every officer of the firm who is in default.
- (4) A person guilty of an offence under this section is liable—
  - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
  - (b) on summary conviction—
    - (i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);
    - (ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum;
    - (iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum.

*Duty to keep index of members*”.

- (6) Section 115 (index of members)—
  - (a) is moved to after the italic heading “Duty to keep index of members” inserted by subsection (5) of this section, and
  - (b) is renumbered section 113J.
- (7) In that section as renumbered—
  - (a) in subsection (1), for “names of the members of the company” substitute “names or titles of the members of the company (to be known as “the index of members’ names)””;
  - (b) for subsection (3) substitute—
    - “(3) The index must include the same details of a person’s name or title as are entered in the register of members.”

- (8) Before section 114 insert –

*“Inspection etc of register and index of members”.*

- (9) Before section 121 insert –

*“Removal of entries from register of members”.*

- (10) In section 123 (single member companies) –
- (a) in subsection (1), omit “, with the name and address of the sole member,”;
  - (b) in subsection (2), omit “, with the name and address of the sole member”;
  - (c) in subsection (3), omit “, with the name and address of the person who was formerly the sole member”.
- (11) In section 771 (procedure on transfer being lodged), after subsection (1) insert –
- “(1A) The company may not register the transfer under subsection (1)(a) unless satisfied that it has the information that it is required to enter in its register of members in relation to the transferee.””

#### **Clause 47**

- 24 *Leave out Clause 47.*

#### **Clause 49**

- 25 Page 33, leave out lines 19 to 33 and insert –

- “(1) The Secretary of State may by regulations –
- (a) require a company to refrain from using, or refrain from disclosing, individual membership information except in circumstances specified in the regulations;
  - (b) confer power on the registrar, on application, to make an order requiring a company to refrain from using, or refrain from disclosing, individual membership information except in circumstances specified in the regulations.”

- 26 Page 33, line 39, leave out “this section” and insert “subsection (1)(b)”

#### **Clause 51**

- 27 Page 35, line 16, leave out “section 46(3) comes fully into force” and insert “the appointed day”

- 28 Page 35, line 19, leave out “the day on which section 46(3) comes fully into force” and insert “the appointed day”

- 29 Page 35, line 44, at end insert –

““the appointed day” means such day as the Secretary of State may by regulations appoint for the purposes of this section;”

**After Clause 56**

30 Insert the following new Clause –

**“Use or disclosure of profit and loss accounts for certain companies**

- (1) The Companies Act 2006 is amended as follows.
- (2) After section 468 insert –

**“468A Use or disclosure of profit and loss accounts for certain companies**

- (1) The Secretary of State may by regulations make provision requiring the registrar, on application or otherwise –
  - (a) not to make available for public inspection profit and loss accounts, or parts of them, delivered to the registrar under –
    - section 443A (micro-entities), or
    - section 444 (other small companies);
  - (b) to refrain from disclosing such accounts, or parts of them, except in specified circumstances.
- (2) Regulations under subsection (1) which provide for the making of an application 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 (f) may in particular 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) The circumstances that may be specified under subsection (1)(b) 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.
- (5) Regulations under subsection (1)(b) may not require the registrar to refrain from disclosing information under section 1110F (general powers of disclosure by the registrar).
- (6) Regulations under this section may in particular confer a discretion on the registrar.
- (7) Regulations under this section are subject to affirmative resolution procedure.”



- (3) In section 1087 (material not available for public inspection), in subsection (1), after paragraph (bb) insert –
- “(bba) the following –
- (i) any application or other document delivered to the registrar under regulations under section 468A (regulations protecting profit and loss accounts for certain companies);
  - (ii) any information which regulations under section 468A require not to be made available for public inspection;”.

#### **After Clause 61**

31 Insert the following new Clause –

#### **“Duty to deliver information about exemption from Part 21A**

In section 853H of the Companies Act 2006 (duty to deliver information about exemption from Part 21A), after subsection (2) insert –

- “(2A) The statement under subsection (2) must specify –
- (a) whether the company falls within the description specified in section 790B(1)(a) or a description specified in regulations under section 790B(1)(b), and
  - (b) if it falls within a description specified in regulations under section 790B(1)(b), what that description is.”

#### **Clause 63**

- 32 Page 42, line 17, leave out “790LD” and insert “790LDA”
- 33 Page 45, line 44, leave out “790LA” and insert “790LCB”
- 34 Page 46, line 40, leave out “790LA” and insert “790LCB”

#### **Clause 64**

- 35 Page 47, line 40, leave out “under section 1110A(1)(b) or”
- 36 Page 48, line 13, at end insert –
- “(2A) A verification statement must also specify the authorised corporate service provider’s supervisory authority or authorities for the purposes of the Money Laundering Regulations.
- (2B) The Secretary of State may by regulations make further provision about the contents of verification statements (including provision amending this section).”
- 37 Page 48, line 19, after “may” insert “by regulations”
- 38 Page 48, line 28, after “statement” insert “: (A)”
- 39 Page 48, line 30, at end insert “(B) specifying the authorised corporate service provider’s supervisory authority or authorities for the purposes of the Money Laundering Regulations, and (C) containing anything else required by the regulations.”

40 Page 48, line 32, at end insert –

“(7) In this section –

“Money Laundering Regulations” means the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692);

“supervisory authority” means an authority that is a supervisory authority under the Money Laundering Regulations (see regulation 7 of those Regulations).”

#### Clause 65

41 Page 50, line 7, leave out “section 1098G” and insert “section 1098F.”

42 Page 50, line 31, leave out “may grant the application only” and insert “must grant the application”

43 Page 50, line 40, at end insert “, and

(d) the registrar is not required by subsection (4A) to refuse the application.

(4A) The registrar must refuse the application if it appears to the registrar that the applicant is not a fit and proper person to carry out the functions of an authorised corporate service provider.”

44 Page 51, line 45, leave out “(a) and (d)”

45 Page 53, line 9, at end insert “, whether automatically or as a result of a decision taken by the registrar;

(b) provide for circumstances in which the registrar may suspend a person’s status as an authorised corporate service provider pending a decision by the registrar under regulations made by virtue of paragraph (a).

(2A) The provision that can be made under subsection (2) includes provision as to –

(a) procedure;

(b) the period of a suspension;

(c) the revocation of a suspension.”

46 Page 53, leave out lines 16 to 28

47 Page 53, leave out lines 31 to 38 and insert “require a person who is or has been an authorised corporate service provider to provide information to the registrar in accordance with the regulations (including information for the purpose of monitoring compliance with the requirements of this Act).”

48 Page 53, line 39, leave out “(a)”

49 Page 53, line 42, leave out from “1098F(2)” to “include” on page 54, line 1

50 Page 54, line 2, leave out “(a)”

#### Clause 67

51 Page 55, line 42, at end insert –

“(zi) after “may” insert “by regulations;”

### Clause 68

- 52 Page 56, line 22, after “statement” insert “or other document”
- 53 Page 56, line 31, leave out “(3) or (4)”

### Before Clause 69

- 54 Insert the following new Clause –

**“Registrar’s power to strike off company registered on false basis**

- (1) The Companies Act 2006 is amended as follows.
- (2) After section 1002 insert –

*“Registrar’s power to strike off company registered on false basis*

**1002A Power to strike off company registered on false basis**

- (1) The registrar may strike a company’s name off the register if the registrar has reasonable cause to believe that –
  - (a) any information contained in the application for the registration of the company, or in any application for restoration of the company to the register, is misleading, false or deceptive in a material particular, or
  - (b) any statement made to the registrar in connection with such an application is misleading, false or deceptive in a material particular.
- (2) In subsection (1) the reference to an application includes any documents delivered to the registrar in connection with the application.
- (3) The registrar may not exercise the power in subsection (1) unless –
  - (a) the registrar has published a notice in the Gazette that, at the end of the period of 28 days beginning with the date of the notice, the name of the company mentioned in the notice will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved, and
  - (b) the period mentioned in paragraph (a) has expired.
- (4) If the registrar exercises the power in subsection (1), the registrar must publish a notice in the Gazette of the company’s name having been struck off the register.
- (5) On the publication of the notice in the Gazette the company is dissolved.
- (6) However –
  - (a) the liability (if any) of every director, managing officer or member of the company continues and may be enforced as if the company had not been dissolved, and
  - (b) nothing in this section affects the power of the court to wind up a company the name of which has been struck off the register.”

- (3) In section 1024 (application for administrative restoration to the register), in subsection (1), for the words from “section” to the end substitute “–
- (a) section 1000 or 1001 (power of registrar to strike off defunct company), or
  - (b) section 1002A (power of registrar to strike off company registered on false basis).”
- (4) In section 1025 (requirements for administrative restoration), for subsection (2) substitute –
- “(2) The first condition is that –
- (a) in the case of a company struck off the register under section 1000 or 1001, the company was carrying on business or in operation at the time of its striking off;
  - (b) in the case of a company struck off the register under section 1002A, at the time of its striking off, the registrar did not have reasonable cause to believe the matter set out in section 1002A(1)(a) or (b).”
- (5) In section 1028A (administrative restoration of company with share warrants), in subsection (1), for “or 1001” substitute “, 1001 or 1002A”.
- (6) In section 1029 (application to court for restoration to the register), in subsection (1)(c) –
- (a) omit the “or” at the end of sub-paragraph (i);
  - (b) after that sub-paragraph insert –
    - “(ia) under section 1002A (power of registrar to strike off company registered on false basis), or”.
- (7) In section 1030 (timing for application to court for restoration to the register), in subsection (5)(a), after “company)” insert “or section 1002A (power of registrar to strike off company registered on false basis)”.
- (8) In section 1031 (decision on application for restoration by the court), in subsection (1) –
- (a) after paragraph (a) insert –
    - “(aa) if the company was struck off the register under section 1002A (power of registrar to strike off company registered on false basis) and the court considers that, at the time of the striking off, the registrar did not have reasonable cause to believe the matter set out in section 1002A(1)(a) or (b);”;
  - (b) in paragraph (c), for “other case” substitute “case (including a case falling within paragraph (a), (aa) or (b))”.

#### Clause 70

55 Page 57, line 22, at end insert –

“(1A) In section 9 (registration documents), omit subsection (3).”

Page 57, line 25, leave out subsection (3) and insert –

“(3) After section 1067 insert –

*“Who may deliver documents to the registrar*

**1067A Delivery of documents: identity verification requirements etc**

- (1) An individual may not deliver a document to the registrar on their own behalf unless –
- (a) their identity is verified (see section 1110A), and
  - (b) the document is accompanied by a statement to that effect.
- (2) An individual (A) may not deliver a document to the registrar on behalf of another person (B) who is of a description specified in column 1 of the following table unless –
- (a) the individual is of a description specified in the corresponding entry in column 2, and
  - (b) the document is accompanied by the statement specified in the corresponding entry in column 3.

	1	2	3
	<i>Description of person on whose behalf document delivered (B)</i>	<i>Description of individual who may deliver document on B’s behalf (A)</i>	<i>Accompanying statement</i>
1	Firm	Individual who is an officer or employee of the firm and whose identity is verified (see section 1110A).	Statement by A – (a) that A is an officer or employee of the firm, (b) that A is delivering the document on the firm’s behalf, and (c) that A’s identity is verified.
2	Firm	Individual who is an officer or employee of a corporate officer of the firm and whose identity is verified.	Statement by A – (a) that A is an officer or employee of a corporate officer of the firm, (b) that A is delivering the document on the firm’s behalf, and (c) that A’s identity is verified.
3	Firm	Individual who is an authorised corporate service provider (see section 1098A).	Statement by A – (a) that A is an authorised corporate service provider, and (b) that A is delivering the document on the firm’s behalf.

	1	2	3
	<i>Description of person on whose behalf document delivered (B)</i>	<i>Description of individual who may deliver document on B's behalf (A)</i>	<i>Accompanying statement</i>
4	Firm	Individual who is an officer or employee of an authorised corporate service provider.	Statement by A— (a) that A is an officer or employee of an authorised corporate service provider, and (b) that A is delivering the document on the firm's behalf.
5	Individual	Individual whose identity is verified.	Statement by A— (a) that A is delivering the document on B's behalf, and (b) that A's identity is verified.
6	Individual	Individual who is an authorised corporate service provider.	Statement by A— (a) that A is an authorised corporate service provider, and (b) that A is delivering the document on B's behalf.
7	Individual	Individual who is an officer or employee of an authorised corporate service provider.	Statement by A— (a) that A is an officer or employee of an authorised corporate service provider, and (b) that A is delivering the document on B's behalf.

- (3) In relation to a corporate officer that has only corporate officers, the reference in row 2 of the table to an individual who is one of its officers is to—
- (a) an individual who is an officer of one of those corporate officers, or
  - (b) if the officers of those corporate officers are all corporate officers, an individual who is an officer of any of the corporate officer's corporate officers,
- and so on until there is at least one individual who is an officer.
- (4) The Secretary of State may by regulations—
- (a) create exceptions to subsections (1) or (2) (which may be framed by reference to the person by whom or on whose behalf a document is delivered or by reference to descriptions of document or in any other way);
  - (b) amend this section for the purpose of changing the effect of the table in subsection (2).

- (5) Regulations under subsection (4)(a) –
  - (a) may require any document delivered to the registrar in reliance on an exception to be accompanied by a statement;
  - (b) may amend this section.
- (6) The Secretary of State may by regulations make provision requiring a statement delivered to the registrar under subsection (2) to be accompanied by additional statements or additional information in connection with the subject-matter of the statement.
- (7) Regulations under this section are subject to affirmative resolution procedure.
- (8) In this section “corporate officer” means an officer that is not an individual.””

#### **Clause 71**

- 57 Page 58, line 36, after first “an” insert “officer or”
- 58 Page 58, line 37, leave out “and acting in the course of their employment”
- 59 Page 59, line 2, leave out from “person” to end of line 6

#### **Clause 81**

- 60 Page 62, line 14, leave out from “any” to end of line 20 and insert “information contained in a document received by the registrar falls within section 1080(1)(a)”

#### **Clause 83**

- 61 Page 65, line 12, at end insert –
  - “(4A) Regulations under this section may in particular confer a discretion on the registrar.”

#### **Clause 89**

- 62 Page 68, line 31, at end insert –
  - “(1A) The Secretary of State may by regulations make provision requiring the registrar –
    - (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.”
- 63 Page 68, line 32, leave out “The regulations” and insert “Regulations under subsection (1)”
- 64 Page 68, leave out line 43
- 65 Page 69, line 3, at end insert “or (1A)(b)”
- 66 Page 69, line 7, after “(1)(b)” insert “or (1A)(b)”

67 Page 69, line 17, at end insert –

“(7A) Regulations under this section may in particular confer a discretion on the registrar.”

**Clause 91**

68 Page 70, line 6, at end insert –

“(ba) any function of the Secretary of State under or in connection with regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 that make provision in connection with licences of the kind mentioned in section 15(3A) of that Act;”

**Clause 92**

69 Page 70, line 40, at end insert –

“(1A) In section 243 (permitted disclosure by registrar), for subsection (6) substitute –

“(6) Regulations under subsection (4) may in particular confer a discretion on the registrar.

(6A) Provision under subsection (5)(d) may in particular provide for a question to be referred to a person other than the registrar for the purposes of determining the application.”

**Clause 94**

70 Page 72, line 40, leave out from beginning to end of line 10 on page 73 and insert –

“(1) The Secretary of State may by regulations –

(a) require a company to refrain from using, or refrain from disclosing, relevant PSC particulars except in circumstances specified in the regulations;

(b) confer power on the registrar, on application, to make an order requiring a company to refrain from using, or refrain from disclosing, relevant PSC particulars except in circumstances specified in the regulations.”

71 Page 73, line 19, leave out “this section” and insert “subsection (1)(b)”

**Clause 102**

72 Page 79, line 12, after “if” insert “–

(i) proceedings have been brought against the person for that offence in respect of that conduct and the proceedings are ongoing, or

(ii) ”

73 Page 79, line 15, leave out “or continued”



**Clause 103**

74 Page 80, line 41, at end insert –

“(4C) Regulations under this section may in particular confer a discretion on the registrar.”

**Clause 104**

75 Page 82, line 30, at end insert –

“(11A) Regulations under this section may in particular confer a discretion on the registrar.”

**Clause 105**

76 Page 84, line 24, at end insert –

“(11A) Regulations under this section may in particular confer a discretion on the registrar.”

**Clause 108**

77 Page 86, line 8, at end insert –

“(3) In this section “the Companies Acts” has the meaning given by section 2(1) of the Companies Act 2006.”

**Clause 116**

78 Page 93, line 36, leave out from “see” to end of line 4 on page 94 and insert “subsection (8)).”;

“(b) in subsection (8), at the appropriate place insert –

““disqualified under the directors disqualification legislation” –

(a) in relation to a statement about a person delivered to the registrar for England and Wales or Scotland, means that the person falls within any of the entries in the first column of Part 1 of the table in section 159A of the Companies Act 2006;

(b) in relation to a statement about a person delivered to the registrar for Northern Ireland, means that the person falls within any of the entries in the first column of Part 2 of that table.””

79 Page 94, leave out lines 18 to 32 and insert –

“(3) A general partner in a limited partnership is “disqualified under the directors disqualification legislation” if –

(a) where the limited partnership is registered in England and Wales or Scotland, the general partner falls within any of the entries in the first column of Part 1 of the table in section 159A of the Companies Act 2006;

- (b) where the limited partnership is registered in Northern Ireland, the general partner falls within any of the entries in the first column of Part 2 of that table.”

#### **Clause 117**

- 80 Page 95, line 23, leave out from “individual” to end of line 24 and insert –
- “(a) who is one of the general partner’s managing officers,
  - (b) who is not disqualified under the directors disqualification legislation (see subsection (8)), and
  - (c) whose identity is verified (within the meaning of section 1110A of the Companies Act 2006).”
- 81 Page 95, line 39, leave out from “Schedule),” to end of line 3 on page 96 and insert “and
- (b) be accompanied by a statement by the individual who is the proposed registered officer confirming that the individual –
    - (i) is one of the general partner’s managing officers,
    - (ii) is not disqualified under the directors disqualification legislation (see subsection (8)), and
    - (iii) is an individual whose identity is verified (within the meaning of section 1110A of the Companies Act 2006).”
- 82 Page 96, line 18, leave out “section 8J(3)” and insert “subsection (1A)”
- 83 Page 96, line 20, at end insert –
- “(1A) The registered officer of a general partner in a limited partnership is “disqualified under the directors disqualification legislation” if –
    - (a) where the limited partnership is registered in England and Wales or Scotland, the registered officer falls within any of the entries in the first column of Part 1 of the table in section 159A of the Companies Act 2006;
    - (b) where the limited partnership is registered in Northern Ireland, the registered officer falls within any of the entries in the first column of Part 2 of that table.”

#### **Clause 120**

- 84 Page 102, line 2, leave out from “8J” to end of line 7 and insert “(3).”
- 85 Page 102, line 27, leave out from beginning to “, and” in line 32
- 86 Page 103, leave out lines 7 to 9

#### **Clause 124**

- 87 Page 110, line 17, leave out “and (b)” and insert “to (c)”

**After Clause 130**

88 Insert the following new Clause –

**“Power to make provision about winding up**

After section 29 of the Limited Partnerships Act 1907 (inserted by section 130 of this Act) insert –

**“29A Power to make provision about winding up**

- (1) The Secretary of State may by regulations make provision in relation to the winding up of a limited partnership under section 28 or 29 that corresponds or is similar to any provision of the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 (including any provision of that Act or Order that relates to the allocation of jurisdiction or distribution of business between courts in any part of the United Kingdom).
- (2) Before making regulations under subsection (1) the Secretary of State must –
  - (a) obtain the consent of the Department for the Economy in Northern Ireland, so far as the regulations relate to limited partnerships registered in Northern Ireland;
  - (b) obtain the consent of the Scottish Ministers, so far as the regulations relate to limited partnerships registered in Scotland.
- (3) The provision that may be made by regulations under subsection (1) by virtue of section 35(1) includes provision amending, repealing or revoking provision made by or under either of the following, whenever passed or made –
  - (a) an Act;
  - (b) Northern Ireland legislation.
- (4) Regulations under this section are subject to the affirmative resolution procedure.””

89 Insert the following new Clause –

**“Winding up of limited partnerships: concurrent proceedings**

- (1) The Limited Partnerships Act 1907 is amended as follows.
- (2) In section 6 (modifications of general law in case of limited partnerships), for subsection (3D) substitute –
 

“(3D) Subsections (3A) and (3B) have effect subject to any order of a court as to the winding up of the affairs of the partnership and any award of sequestration of the partnership’s estate under the Bankruptcy (Scotland) Act 2016.”

- (3) After section 29A (inserted by section (*Power to make provision about winding up*) of this Act) insert –

**“29B Winding up of limited partnerships: concurrent proceedings**

- (1) Where a petition under section 28 in respect of a limited partnership is pending, a general partner of the limited partnership who is or becomes aware of any of the circumstances mentioned in subsection (3) must notify the court to which the petition was presented.
- (2) Where an application under section 29 in respect of a limited partnership is pending –
  - (a) a general partner of the limited partnership who is or becomes aware any of the circumstances mentioned in subsection (3) must notify the court to which the application was made, and
  - (b) if the application was made by a person other than the Secretary of State, the applicant must notify the court to which the application was made if the applicant is or becomes aware of any of the circumstances mentioned in subsection (3).
- (3) The circumstances are that –
  - (a) a petition for sequestration of the limited partnership’s estate under the Bankruptcy (Scotland) Act 2016 is before a sheriff,
  - (b) an application to the Accountant in Bankruptcy for sequestration of the limited partnership’s estate under that Act is pending,
  - (c) sequestration has been awarded by virtue of any such petition or application and the limited partnership’s estate is being sequestrated,
  - (d) a trust deed in respect of the limited partnership’s estate has been sent to the Accountant in Bankruptcy for registration under that Act and the registration has not been refused,
  - (e) a protected trust deed (within the meaning of that Act) is in force in respect of the limited partnership’s estate,
  - (f) an application by the limited partnership for approval of a debt payment programme under the Debt Arrangement and Attachment (Scotland) Act 2002 is pending, or
  - (g) such a programme has been approved under that Act and has not been completed.
- (4) A person is not required to notify the court of circumstances under subsection (1) or (2) if another person has notified the court of those circumstances.
- (5) If a person fails to comply with subsection (1) or (2) an offence is committed by –
  - (a) the person, and
  - (b) if the person is a legal entity, any of its managing officers who is in default.

- (6) 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.
- (7) A 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.
- (8) But a corporate managing officer does not commit an offence as a managing officer in default unless one of its managing officers is in default.
- (9) Where any such offence is committed by a corporate managing officer the managing officer in question also commits the offence (subject to subsection (8)).
- (10) For the purposes of this section a petition or application is “pending” if it has been presented or made and it has not fallen, been withdrawn or been determined.

#### **29C Power to amend circumstances for notification under section 29B**

- (1) The Secretary of State or the Scottish Ministers may by regulations amend the list in section 29B(3).
- (2) Before making regulations under subsection (1) the Secretary of State must obtain the consent of the Scottish Ministers.
- (3) Regulations made by the Secretary of State under subsection (1) are subject to the affirmative resolution procedure.
- (4) Regulations made by the Scottish Ministers under subsection (1) are subject to the affirmative procedure (see Part 2 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10)).”

90

Insert the following new Clause –

#### **“Sequestration of limited partnerships: concurrent winding up proceedings**

- (1) The Bankruptcy (Scotland) Act 2016 is amended as follows.
- (2) In section 17 (concurrent proceedings for sequestration or analogous remedy) –
  - (a) in subsection (2)(b), after “awarded” insert “and the debtor’s estate is being sequestrated”;
  - (b) in subsection (2)(c) –
    - (i) omit “has been made”;
    - (ii) after “estate” insert “is pending”;
  - (c) in subsection (2)(d), after “application” insert “and the debtor’s estate is being sequestrated”;
  - (d) in subsection (2)(g), after “under” insert “section 27 of the Limited Partnerships Act 1907,”;
  - (e) after subsection (2)(g) insert –
    - “(ga) such a petition has been granted,

- (gb) an application in respect of the debtor is before a court under section 28 of the Limited Partnerships Act 1907,
- (gc) such an application has been granted.”;
- (f) after subsection (7) insert –
  - “(7A) For the purposes of subsection (2)(c), a debtor application is “pending” if it has been made and has not fallen, been withdrawn or been determined.”
- (3) In section 18 (powers in relation to concurrent proceedings) –
  - (a) in subsection (1), for “(g)” substitute “(gc)”;
  - (b) in subsection (2), for “or (g)” substitute “, (g), (ga), (gb) or (gc)”;
  - (c) in subsection (8), for “(g)” substitute “(gc)”.

#### **Clause 132**

- 91 Page 117, line 39, leave out from “that” to end of line 41 and insert “an individual is an individual whose identity is verified (within the meaning of section 1110A of the Companies Act 2006) –”
- 92 Page 118, line 1, leave out “(4) or”
- 93 Page 118, line 5, after “statement” insert “or other document”
- 94 Page 118, line 6, leave out “(3) or (4)”

#### **Clause 134**

- 95 Page 120, line 27, leave out “and (6)” and insert “to (6A)”

#### **Clause 140**

- 96 Page 129, line 12, leave out “and (3)”
- 97 Page 129, line 16, after first “an” insert “officer or”
- 98 Page 129, line 17, leave out “and is acting in the course of their employment”
- 99 Page 129, leave out lines 18 to 25

#### **Clause 142**

- 100 Page 131, line 30, leave out “section 8K(1)(c)” and insert “paragraph (c) of that subsection”
- 101 Page 131, line 33, leave out “section 8K(1)(c)” and insert “sub-paragraph (iii) of that paragraph”

#### **Clause 146**

- 102 Page 133, line 32, after “Regulations” insert “made by the Secretary of State”

#### **Clause 150**

- 103 Page 136, line 10, after “Secretary of State” insert “or the Department”

- 104 Page 136, line 23, at end insert –  
“(2A) The Secretary of State must obtain the consent of the Department before making regulations under this Article.”
- 105 Page 136, line 40, after “made” insert “by regulations made by the Secretary of State”
- 106 Page 136, line 44, at end insert –  
“(6A) The provision which may be made by regulations made by the Department by virtue of paragraph (5) includes provision amending provision made by or under Northern Ireland legislation, whenever passed or made.”
- 107 Page 136, line 45, after “Regulations” insert “made by the Secretary of State”
- 108 Page 137, line 1, after “regulations” insert “made by the Secretary of State”
- 109 Page 137, line 3, at end insert –  
“(9) Regulations made by the Department under this Article are subject to negative resolution.”

#### After Clause 153

- 110 Insert the following new Clause –
- “Registration of information about trusts**
- (1) Paragraph 8 of Schedule 1 to the Economic Crime (Transparency and Enforcement) Act 2022 (required information) is amended as follows.
- (2) In sub-paragraph (1), for paragraphs (d) to (f) substitute –
- “(d) the specified details of each beneficiary under the trust;  
(e) the specified details of each settlor or grantor and, in relation to any settlor or grantor that is a legal entity, the specified details of any person who at the time at which the trust is settled –
- (i) is a registrable beneficial owner in relation to that entity (if it is overseas entity), or  
(ii) would be a registrable beneficial owner in relation to the entity if that entity were an overseas entity;
- (f) the specified details of any interested person under the trust and the date on which they became an interested person.”
- (3) After sub-paragraph (1) insert –
- “(1A) In sub-paragraph (1)(d) to (f) “the specified details” –
- (a) in relation to a person who is an individual, means –
- (i) name, date of birth and nationality;  
(ii) usual residential address;  
(iii) a service address;
- (b) in relation to a person that is a legal entity, means –
- (i) name;  
(ii) principal office;  
(iii) a service address;

- (iv) the legal form of the entity and the law by which it is governed;
  - (v) any public register in which it is entered and, if applicable, its registration number in that register.”
- (4) In sub-paragraph (2), for “sub-paragraph (1)(c)” substitute “sub-paragraphs (1)(c) and (1A)(a)”.

#### After Clause 155

111 Insert the following new Clause –

**“Registrable beneficial owners: nominees**

- (1) The Economic Crime (Transparency and Enforcement) Act 2022 is amended as follows.
- (2) In Schedule 1 (required information) –
  - (a) in paragraph 3(1), for paragraphs (e) and (f) substitute –
    - “(e) whether the individual is a registrable beneficial owner by virtue of paragraph 2(1) of Schedule 2 or paragraph 2(2) of that Schedule;
    - (f) if the individual is a registrable beneficial owner by virtue of paragraph 2(1) of Schedule 2 –
      - (i) a statement as to which of the conditions in paragraph 6 of that Schedule is met and why, and
      - (ii) a statement as to whether that condition is met by virtue of the individual being a trustee;
    - (fa) if the individual is a registrable beneficial owner by virtue of paragraph 2(2) of Schedule 2, a statement as to which of the conditions in paragraph 6A of that Schedule is met and why;”;
  - (b) in paragraph 4, for sub-paragraph (f) substitute –
    - “(f) whether the government or public authority is a registrable beneficial owner by virtue of paragraph 4(1) of Schedule 2 or paragraph 4(2) of that Schedule;
    - (fa) if the government or public authority is a registrable beneficial owner by virtue of paragraph 4(1) of Schedule 2, a statement as to which of the conditions in paragraph 6 of that Schedule is met and why;
    - (fb) if the government or public authority is a registrable beneficial owner by virtue of paragraph 4(2) of Schedule 2, a statement as to which of the conditions in paragraph 6A of that Schedule is met and why;”;
  - (c) in paragraph 5(1), for paragraphs (g) and (h) substitute –
    - “(g) whether the entity is a registrable beneficial owner by virtue of paragraph 3(1) of Schedule 2 or paragraph 3(2) of that Schedule;



- (h) if the entity is a registrable beneficial owner by virtue of paragraph 3(1) of Schedule 2 –
    - (i) a statement as to which of the conditions in paragraph 6 of that Schedule is met and why, and
    - (ii) a statement as to whether that condition is met by virtue of the entity being a trustee;
  - (ha) if the entity is a registrable beneficial owner by virtue of paragraph 3(2) of Schedule 2, a statement as to which of the conditions in paragraph 6A of that Schedule is met and why;”.
- (3) In Schedule 2 (registrable beneficial owners) –
- (a) in paragraph 2 –
    - (i) the existing text becomes sub-paragraph (1);
    - (ii) in paragraph (a) of that sub-paragraph, for “(see Part 2)” substitute “by virtue of paragraph 6”;
    - (iii) after that sub-paragraph insert –
      - “(2) An individual is also a “registrable beneficial owner” in relation to an overseas entity if the individual is treated as a beneficial owner of the overseas entity by virtue of paragraph 6A.”;
  - (b) in paragraph 3 –
    - (i) the existing text becomes sub-paragraph (1);
    - (ii) in paragraph (a) of that sub-paragraph, for “(see Part 2)” substitute “by virtue of paragraph 6”;
    - (iii) after that sub-paragraph insert –
      - “(2) A legal entity other than a government or public authority is also a “registrable beneficial owner” in relation to an overseas entity if it is treated as a beneficial owner of the overseas entity by virtue of paragraph 6A.”;
  - (c) in paragraph 4 –
    - (i) the existing text becomes sub-paragraph (1);
    - (ii) in that sub-paragraph, for “(see Part 2)” substitute “by virtue of paragraph 6”;
    - (iii) after that sub-paragraph insert –
      - “(2) A government or public authority is also a “registrable beneficial owner” in relation to an overseas entity if it is treated as a beneficial owner of the overseas entity by virtue of paragraph 6A.”;
  - (d) after paragraph 6 insert –

*“Persons treated as beneficial owners where entity holds land as nominee*

6A A person (“X”) is to be treated as a beneficial owner of an overseas entity (“Y”) if one or more of the following conditions are met.

*Y holds land in England or Wales as nominee for X*

Condition 1 is that Y –

- (a) is registered in the register of title kept under the Land Registration Act 2002 as the proprietor of a qualifying estate within the meaning of Schedule 4A to that Act,
- (b) became so registered in pursuance of an application made on or after 1 January 1999, and
- (c) holds the qualifying estate as nominee for –
  - (i) X, or
  - (ii) an entity of which X is a beneficial owner by virtue of paragraph 6.

*Y holds land in Scotland as nominee for X*

Condition 2 is that –

- (a) Y –
  - (i) holds an interest in land by virtue of being entered, on or after 8 December 2014, as proprietor in the proprietorship section of the title sheet for a plot of land that is registered in the Land Register of Scotland,
  - (ii) is, in relation to a lease that was recorded in the General Register of Sasines or registered in the Land Register of Scotland before that date, by virtue of an assignation of the lease registered in the Land Register of Scotland on or after that date, the tenant under the lease, or
  - (iii) is the tenant under a lease that was registered in the Land Register of Scotland on or after that date, and
- (b) Y holds the interest in land referred to in paragraph (a)(i), (ii) or (iii) as nominee for –
  - (i) X, or
  - (ii) an entity of which X is a beneficial owner by virtue of paragraph 6.

*Y holds land in Northern Ireland as nominee for X*

Condition 3 is that Y –

- (a) is registered in the register kept under the Land Registration Act (Northern Ireland) 1970 (c. 18 (N.I.)) as the owner of a qualifying estate within the meaning of Schedule 8A to that Act,
- (b) became so registered on or after the day on which that Schedule came into force, and
- (c) holds the qualifying estate as nominee for –
  - (i) X, or
  - (ii) an entity of which X is a beneficial owner by virtue of paragraph 6.”;

- (e) in paragraph 8, for “paragraphs 2(b) and 3(c)” substitute “paragraphs 2(1)(b) and 3(1)(c).”

112 Insert the following new Clause –

**“Information about changes in beneficiaries under trusts**

- (1) Schedule (*Duty to deliver information about changes in beneficiaries*) (duty to deliver information about changes in beneficiaries) imposes further duties on registered overseas entities to deliver information.
- (2) The amendments made by paragraph 2 of Schedule (*Duty to deliver information about changes in beneficiaries*) do not apply in relation to any statements or information delivered to the registrar under section 7 of the Economic Crime (Transparency and Enforcement) Act 2022 during the period of 3 months beginning when that paragraph comes fully into force.”

113 Insert the following new Clause –

**“Applications for removal**

- (1) Section 10 of the Economic Crime (Transparency and Enforcement) Act 2022 (processing of application for removal) is amended as follows.
- (2) In subsection (2), after “land” insert “and there are no updates pending”.
- (3) In subsection (3), after “land” insert “or there is an update pending”.
- (4) After subsection (3) insert –
  - “(3A) For the purposes of subsections (2) and (3) an update is pending if –
    - (a) an update period for the entity has ended and the entity has not yet complied with the duty under section 7 in respect of that period, or
    - (b) the entity is required to deliver information under Schedule 6 but has not yet done so.”

114 Insert the following new Clause –

**“Verification of registrable beneficial owners and managing officers**

- (1) Section 16 of the Economic Crime (Transparency and Enforcement) Act 2022 (verification of registrable beneficial owners and managing officers) is amended as follows.
- (2) In subsection (2) –
  - (a) after paragraph (a) insert –
    - “(aa) about how the information is to be verified (including provision about the kinds or sources of evidence to be used);
    - (ab) about the standard to which verification is to be carried out;”
  - (b) after paragraph (b) insert –
    - “(ba) about the records that must be kept in connection with verification;”
  - (c) after paragraph (d)(inserted by section 156 of this Act) insert –
    - “(e) about the information that must be provided to the registrar to enable the registrar to monitor compliance with any requirements imposed by the regulations.”

(3) After subsection (2) insert –

“(2A) Regulations under this section may create offences in relation to failures to comply with requirements imposed by virtue of subsection (2)(ba) or (e).

(2B) The regulations must provide for any such offence to be punishable –

- (a) on summary conviction in England and Wales, by a fine;
- (b) on summary conviction in Scotland, by a fine not exceeding level 5 on the standard scale;
- (c) on summary conviction in Northern Ireland, by a fine not exceeding level 5 on the standard scale.”

115 Insert the following new Clause –

**“Updating the register of overseas entities**

(1) The Economic Crime (Transparency and Enforcement) Act 2002 is amended as follows –

(2) In section 7, after subsection (8) insert –

“(8A) A registered overseas entity must, as soon as reasonably possible and in any event within 14 days of becoming aware of any change, deliver to the registrar details of any change to the information that has been previously provided to the registrar in accordance with section 4 or, if information has been previously delivered to the registrar under this section, any change to the latest information provided under this section, including the date such change occurred.

(8B) A registered overseas entity must deliver to the registrar the information required in accordance with subsection (8A), or deliver to the registrar a statement that there has been no change to the information currently held on the register, no more than 14 days prior to the acquisition or disposal of any qualifying estate in the United Kingdom.

(8C) For the purposes of this section, “qualifying estate” has the meaning given by paragraph 1 of Schedule 4A to the Land Registration Act 2002.”

(3) In section 8, at the end of subsection (3) omit “(1).”

**Clause 157**

116 Page 139, line 32, after “9” insert “or Schedule 6”

117 Page 139, leave out line 35

118 Page 139, line 37, leave out second “or”

119 Page 139, line 38, after “Schedule 1” insert “or paragraph 2(1)(d) of Schedule 6”

120 Page 140, line 4, at end insert –

“(ba) any application or other document delivered to the registrar under regulations under section 23(1A) (disclosure of protected trusts information);”

- 
- 121** Page 140, line 18, after “statement” insert “or other document”
- 122** Page 140, line 19, leave out “(3) or (4)”
- 123** Page 140, line 45, leave out “4(3), 7(3) and (4) and 9(3) and (4)” and insert “4(3)(a), 7(3)(a) and (4)(a) and 9(3)(a) and (4)(a) and paragraphs 3(2)(a), 4(2)(a) and 5(2)(a) of Schedule 6), or
- (b) any information required by virtue of section 7(3)(c) or (4)(c) or 9(3)(c) or (4)(c) or paragraph 4(2)(c) of Schedule 6 (information about beneficiaries).”
- 124** Page 141, line 16, at end insert “, or
- (c) the disclosure is permitted by regulations under subsection (1A).
- (1A) The Secretary of State may by regulations make provision requiring the registrar, on application, to disclose relevant protected trusts information to a person (unless required to refrain from doing so by regulations under section 25).
- (1B) In subsection (1A) “relevant protected trusts information” means protected trusts information other than information as to –
- (a) the day of the month (but not the month or year) on which an individual was born, or
  - (b) the usual residential address of an individual.
- (1C) 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.
- (1D) Provision under subsection (1C)(e) may in particular provide for a question to be referred to a person other than the registrar for the purposes of determining the application.
- (1E) The regulations may include provision authorising or requiring the registrar to impose conditions subject to which the information is disclosed (including conditions restricting its use or further disclosure).
- (1F) The regulations may create offences in relation to failures to comply with conditions imposed by virtue of subsection (1E).
- (1G) The regulations must provide for any such offence to be punishable –
- (a) on summary conviction in England and Wales, by a fine;
  - (b) on summary conviction in Scotland, by a fine not exceeding level 5 on the standard scale;
  - (c) on summary conviction in Northern Ireland, by a fine not exceeding level 5 on the standard scale.
- (1H) Regulations under this section may in particular confer a discretion on the registrar.
- (1I) Regulations under this section are subject to affirmative resolution procedure.”

125 Page 141, line 20, at end insert –

**“24 Consultation about regulations under section 23**

- (1) The Secretary of State must consult the Scottish Ministers before making regulations under section 23 that contain provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.
- (2) The Secretary of State must consult the Department of Finance in Northern Ireland before making regulations under section 23 that contain provision that –
  - (a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and
  - (b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State under section 8 of the Northern Ireland Act 1998.””

**Clause 158**

126 Page 142, leave out line 1

127 Page 142, line 21, at end insert –

“(7A) Regulations under this section may in particular confer a discretion on the registrar.”

**Clause 160**

128 Page 144, line 3, at end insert –

“(4A) Regulations under this section may in particular confer a discretion on the registrar.”

**After Clause 163**

129 Insert the following new Clause –

**“Overseas entities: further information for transitional cases**

Schedule (*Overseas entities: further information for transitional cases*) (overseas entities: further information for transitional cases) amends the Economic Crime and Corporate Transparency Act 2023 to impose further duties on overseas entities to deliver information to the registrar.”

130 Insert the following new Clause –

**“Financial penalties: interaction with offences**

In section 39 of the Economic Crime (Transparency and Enforcement) Act 2022 (financial penalties), in subsection (4) –

- (a) for paragraph (a) (but not the “and” at the end) substitute –
  - “(a) no financial penalty may be imposed under the regulations on a person in respect of conduct amounting to an offence if –
    - (i) proceedings have been brought against the person for that offence in respect of that conduct and the proceedings are ongoing, or
    - (ii) the person has been convicted of that offence in respect of that conduct;”
- (b) in paragraph (b), omit “or continued.”

**Clause 164**

131 Page 146, line 34, leave out “place, insert –” and insert “places, insert –  
 ““the Companies Acts” has the meaning given by section 2(1) of the Companies Act 2006;”

**Clause 165**

132 Page 147, line 11, at end insert –  
 “(1A) In section 21 of the Land Registration etc. (Scotland) Act 2012 (application for registration of deed), the subsection (5) inserted by the Economic Crime (Transparency and Enforcement) Act 2022 is renumbered subsection (4A).”

**Clause 166**

133 Page 148, line 6, at end insert –  
 “(2) The Secretary of State must obtain the consent of the Scottish Ministers before making regulations under this section that contain provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.  
 (3) The Secretary of State must obtain the consent of the Department of Finance in Northern Ireland before making regulations under this section that contain provision that –  
 (a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and  
 (b) would not, if contained in a Bill in the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State under section 8 of the Northern Ireland Act 1998.”

**After Clause 171**

134 Insert the following new Clause –

**“Money laundering: offences of failing to disclose**

- (1) The Proceeds of Crime Act 2002 is amended as follows.

- (2) In section 330 (failure to disclose: regulated sector) –
- (a) subsection (7A) is moved to after subsection (7B) and is renumbered subsection (7C);
  - (b) after that subsection as moved and renumbered, insert –  
“(7D) Nor does a person commit an offence under this section if –
    - (a) the information or other matter mentioned in subsection (3) consists of or includes information that was obtained only in consequence of the carrying out of a status check under section 40 of the Immigration Act 2014 or an immigration check under section 40A of that Act or both, and
    - (b) but for the information so obtained the person would not have reasonable grounds for knowing or suspecting that another person is engaged in money laundering.”
- (3) In section 331 (failure to disclose: nominated officers in the regulated sector), after subsection (6A) insert –
- “(6B) Nor does a person commit an offence under this section if –
- (a) the information or other matter disclosed to the person under section 330 consists of or includes information that was obtained only in consequence of the carrying out of a status check under section 40 of the Immigration Act 2014 or an immigration check under section 40A of that Act or both, and
  - (b) but for the information so obtained the person would not have reasonable grounds for knowing or suspecting that another person is engaged in money laundering.”

#### Clause 172

- 135 Page 154, leave out lines 1 and 2 and insert –  
“(b) an authorised NCA officer has reasonable grounds to believe that the request was made only for the purpose of assisting the foreign FIU to conduct one or both of the following –”
- 136 Page 154, leave out lines 29 to 31.
- 137 Page 155, line 17, at end insert –  
“(2A) A requirement in paragraph (a), (b) or (c) of subsection (2) may be satisfied by the carrying out of the action required by the paragraph in question before this section comes into force.”
- 138 Page 155, line 43, leave out “337ZL(4)” and insert “339ZL(5)”

#### Clause 173

- 139 Page 157, leave out lines 18 and 19 and insert –  
“(b) an authorised NCA officer has reasonable grounds to believe that the request was made only for the purpose of assisting the foreign FIU to conduct one or both of the following –”



- 140 Page 158, line 31, at end insert –  
 “(2A) A requirement in paragraph (a), (b) or (c) of subsection (2) may be satisfied by the carrying out of the action required by the paragraph in question before this section comes into force.”

#### Clause 174

- 141 Page 159, line 29, leave out from “to” to end of line 30 and insert “prescribed high-risk countries.”  
 (3) Provision made by virtue of sub-paragraph (2) may in particular refer to a list of countries published by the Financial Action Task Force as it has effect from time to time.”
- 142 Page 159, line 36, leave out “, omit subsections (2) and (9)” and insert “ –  
 (a) in subsection (2), for the first “which” substitute “made during the period of 6 months beginning with the day on which the Economic Crime and Corporate Transparency Act 2023 is passed if the instrument”;  
 (b) in subsection (9), for the words from “if” to the end substitute “if they only make provision prescribing high-risk countries by virtue of paragraph 4(2) of Schedule 2”.”

#### Clause 180

- 143 Page 164, line 34, leave out “, conspiracy or incitement” and insert “or conspiracy”
- 144 Page 164, line 35, at end insert –  
 “(ba) constitutes an offence –  
 (i) under Part 2 of the Serious Crime Act 2007 (England and Wales and Northern Ireland: encouraging or assisting crime) in relation to a listed offence, or  
 (ii) under the law of Scotland of inciting the commission of a listed offence,”
- 145 Page 164, line 39, after “(b)” insert “, (ba)”

#### After Clause 180

- 146 Insert the following new Clause –

#### *“Power to strike out certain claims*

#### **Strategic litigation against public participation: requirement to make rules of court**

- (1) The power to make Civil Procedure Rules must be exercised so as to secure that Civil Procedure Rules include provision for ensuring that a claim may be struck out before trial where the court determines –  
 (a) that the claim is a SLAPP claim (see section (*Meaning of “SLAPP claim”*)), and  
 (b) that the claimant has failed to show that it is more likely than not that the claim would succeed at trial.

- (2) Rules made in compliance with subsection (1) may include rules about how a determination under that subsection is to be made, including (in particular) –
  - (a) rules for determining the nature and extent of the evidence that may or must be considered;
  - (b) rules about the extent to which evidence may or must be tested;
  - (c) rules permitting or requiring the court to determine matters of fact by way of presumptions.
- (3) Rules made in compliance with subsection (1) must include rules under which the court may make a determination under that subsection of its own motion.
- (4) The power to make Civil Procedure Rules must be exercised so as to secure that Civil Procedure Rules include provision for securing that, in respect of a SLAPP claim, a court may not order a defendant to pay the claimant’s costs except where, in the court’s view, misconduct of the defendant in relation to the claim justifies such an order.
- (5) The Lord Chancellor may by regulations provide for subsections (1) to (4) to apply in relation to any rules of court that may be specified in the regulations as those subsections apply in relation to Civil Procedure Rules.
- (6) In this section –
  - “court” includes a tribunal;
  - “rules of court” means rules relating to the practice and procedure of a court or tribunal.”

147

Insert the following new Clause –

**Meaning of “SLAPP” claim**

- (1) For the purposes of section (*Strategic litigation against public participation: requirement to make rules of court*) a claim is a “SLAPP claim” if –
  - (a) the claimant’s behaviour in relation to the matters complained of in the claim has, or is intended to have, the effect of restraining the defendant’s exercise of the right to freedom of speech,
  - (b) any of the information that is or would be disclosed by the exercise of that right has to do with economic crime,
  - (c) any part of that disclosure is or would be made for a purpose related to the public interest in combating economic crime, and
  - (d) any of the behaviour of the claimant in relation to the matters complained of in the claim is intended to cause the defendant –
    - (i) harassment, alarm or distress,
    - (ii) expense, or
    - (iii) any other harm or inconvenience,
 beyond that ordinarily encountered in the course of properly conducted litigation.
- (2) For the purposes of determining whether a claim meets the condition in subsection (1)(a) or (c), any limitation prescribed by law on the exercise of the right to freedom of speech (for example in relation to the making of defamatory statements) is to be ignored.

- (3) For the purposes of this section, information mentioned in subsection (1)(b) “has to do with economic crime” if –
- (a) it relates to behaviour or circumstances which the defendant reasonably believes (or, as the case requires, believed) to be evidence of the commission of an economic crime, or
  - (b) the defendant has (or, as the case requires, had) reason to suspect that an economic crime may have occurred and believes (or, as the case requires, believed) that the disclosure of the information would facilitate an investigation into whether such a crime has (or had) occurred.
- (4) In determining whether any behaviour of the claimant falls within subsection (1)(d), the court may, in particular, take into account –
- (a) whether the behaviour is a disproportionate reaction to the matters complained of in the claim, including whether the costs incurred by the claimant are out of proportion to the remedy sought;
  - (b) whether the defendant has access to fewer resources with which to defend the claim than another person against whom the claimant could have brought (but did not bring) proceedings in relation to the matters complained of in the claim;
  - (c) any relevant failure, or anticipated failure, by the claimant to comply with a pre-action protocol, rule of court or practice direction, or to comply with or follow a rule or recommendation of a professional regulatory body.
- (5) For the purposes of subsection (4)(c) a failure, or anticipated failure, is “relevant” so far as it relates to –
- (a) the choice of jurisdiction,
  - (b) the use of dilatory strategies,
  - (c) the nature or amount of material sought on disclosure,
  - (d) the way to respond to requests for comment or clarification,
  - (e) the use of correspondence,
  - (f) making or responding to offers to settle, or
  - (g) the use of alternative dispute resolution procedures.
- (6) In this section –
- “court” has the same meaning as in section (*Strategic litigation against public participation: requirement to make rules of court*);
  - “economic crime” has the meaning given by section 180(1);
  - “the right to freedom of speech” means the right set out in Article 10 of the European Convention on Human Rights (freedom of expression) so far as it consists of a right to impart ideas, opinions or information by means of speech, writing or images (including in electronic form).
- (7) In the definition of “the right to freedom of speech” in subsection (6) “the European Convention on Human Rights” means the Convention for the Protection of Human Rights and Fundamental Freedoms agreed by the Council of Europe at Rome on 4 November 1950 as it has effect for the time being in relation to the United Kingdom.”

*“Attributing criminal liability for economic crimes to certain bodies*

**Attributing criminal liability for economic crimes to certain bodies**

- (1) If a senior manager of a body corporate or partnership (“the organisation”) acting within the actual or apparent scope of their authority commits a relevant offence after this section comes into force, the organisation is also guilty of the offence.  
This is subject to subsection (3).
- (2) “Relevant offence” means an act which constitutes –
  - (a) an offence listed in Schedule (*Criminal liability of bodies: economic crimes*) (“a listed offence”),
  - (b) an attempt or conspiracy to commit a listed offence,
  - (c) an offence –
    - (i) under Part 2 of the Serious Crime Act 2007 (England and Wales and Northern Ireland: encouraging or assisting crime) in relation to a listed offence, or
    - (ii) under the law of Scotland of inciting the commission of a listed offence, or
  - (d) aiding, abetting, counselling or procuring the commission of a listed offence.
- (3) Where no act or omission forming part of the relevant offence took place in the United Kingdom, the organisation is not guilty of an offence under subsection (1) unless it would be guilty of the relevant offence had it carried out the acts that constituted that offence (in the location where the acts took place).
- (4) In this section –

“body corporate” includes a body incorporated outside the United Kingdom, but does not include –

  - (a) a corporation sole, or
  - (b) a partnership that, whether or not a legal person, is not regarded as a body corporate under the law by which it is governed;

“partnership” means –

  - (a) a partnership within the meaning of the Partnership Act 1890;
  - (b) a limited partnership registered under the Limited Partnerships Act 1907;
  - (c) a firm or other entity of a similar character to one within paragraph (a) or (b) formed under the law of a country or territory outside the United Kingdom;

“senior manager”, in relation to a body corporate or partnership, means an individual who plays a significant role in –

  - (a) the making of decisions about how the whole or a substantial part of the activities of the body corporate or (as the case may be) partnership are to be managed or organised, or
  - (b) the actual managing or organising of the whole or a substantial part of those activities.”

149 Insert the following new Clause –

**“Power to amend list of economic crimes**

- (1) The Secretary of State may by regulations amend Schedule (*Criminal liability of bodies: economic crimes*) by –
  - (a) removing an offence from the list in the Schedule, or
  - (b) adding an offence to that list.
- (2) The power in subsection (1) is exercisable by the Scottish Ministers (and not by the Secretary of State) so far as it may be used to make provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.
- (3) The power in subsection (1) is exercisable by the Department of Justice in Northern Ireland (and not by the Secretary of State) so far as it may be used to make provision that –
  - (a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and
  - (b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State.
- (4) The Secretary of State may from time to time by regulations restate Schedule (*Criminal liability of bodies: economic crimes*) as amended by virtue of subsection (1) to (3) (without changing the effect of the Schedule).”

150 Insert the following new Clause –

**“Offences under section (*Attributing criminal liability for economic crimes to certain bodies*) committed by partnerships**

- (1) Proceedings for an offence alleged to have been committed by a partnership by virtue of section (*Attributing criminal liability for economic crimes to certain bodies*) must be brought in the name of the partnership (and not in that of any of the partners).
- (2) For the purposes of such proceedings –
  - (a) rules of court relating to the service of documents have effect as if the partnership were a body corporate, and
  - (b) the following provisions apply as they apply in relation to a body corporate –
    - (i) section 33 of the Criminal Justice Act 1925 and Schedule 3 to the Magistrates’ Courts Act 1980;
    - (ii) section 18 of the Criminal Justice Act (Northern Ireland) 1945 (c. 15 (N.I.)) and Schedule 4 to the Magistrates’ Courts (Northern Ireland) Order 1981 (S.I. 1981/1675 (N.I. 26));
    - (iii) sections 34(2), 66(6AA) and 72D(2) of the Criminal Procedure (Scotland) Act 1995.
- (3) A fine imposed on the partnership on its conviction for an offence committed by virtue of section (*Attributing criminal liability for economic crimes to certain bodies*) is to be paid out of the partnership assets.
- (4) In this section “partnership” has the same meaning as in section (*Attributing criminal liability for economic crimes to certain bodies*).”

151 Insert the following new Clause –

*“Failure to prevent fraud***Failure to prevent fraud**

- (1) A relevant body is guilty of an offence if, in a financial year of the body (“the year of the fraud offence”), a person who is associated with the body (“the associate”) commits a fraud offence intending to benefit (whether directly or indirectly) –
  - (a) the relevant body, or
  - (b) any person to whom, or to whose subsidiary undertaking, the associate provides services on behalf of the relevant body.
- (2) A relevant body is also guilty of an offence under subsection (1) if –
  - (a) an employee of the relevant body commits a fraud offence intending to benefit (whether directly or indirectly) the relevant body,
  - (b) the fraud offence is committed in a financial year of a parent undertaking of which the relevant body is a subsidiary undertaking (“the year of the fraud offence”), and
  - (c) the parent undertaking is a relevant body which is a large organisation.
- (3) But the relevant body is not guilty of an offence under subsection (1)(b) if the body itself was, or was intended to be, a victim of the fraud offence.
- (4) It is a defence for the relevant body to prove that, at the time the fraud offence was committed –
  - (a) the body had in place such prevention procedures as it was reasonable in all the circumstances to expect the body to have in place, or
  - (b) it was not reasonable in all the circumstances to expect the body to have any prevention procedures in place.
- (5) In subsection (4) “prevention procedures” means procedures designed to prevent persons associated with the body from committing fraud offences.
- (6) A “fraud offence” is an act which constitutes –
  - (a) an offence listed in Schedule (*Failure to prevent fraud: fraud offences*) (a “listed offence”), or
  - (b) aiding, abetting, counselling or procuring the commission of a listed offence.
- (7) For the purposes of this section a person is associated with a relevant body if –
  - (a) the person is an employee, agent or subsidiary undertaking of the relevant body, or
  - (b) the person otherwise performs services for or on behalf of the body.
- (8) For the purposes of this section a person is also associated with a relevant body if the person is an employee of a subsidiary undertaking of the relevant body; but for the purpose of determining whether an offence is committed by virtue of this subsection, subsection (1) has effect with the omission of paragraph (b) (and the “or” preceding it).
- (9) Whether or not a particular person performs services for or on behalf of a relevant body is to be determined by reference to all the relevant circumstances and not merely by reference to the nature of the relationship between that person and the body.

- (10) Where a relevant body is liable to be proceeded against for an offence under subsection (1) in a particular part of the United Kingdom, proceedings against the body for the offence may be taken in any place in the United Kingdom.
- (11) Where by virtue of subsection (10) proceedings against a relevant body for an offence are to be taken in Scotland –
- (a) the body may be prosecuted, tried and punished in a sheriff court district determined by the Lord Advocate, as if the offence had been committed in that district, and
  - (b) the offence is, for all purposes incidental to or consequential on the trial or punishment, deemed to have been committed in that district.
- (12) A relevant body guilty of an offence under this section is liable –
- (a) on conviction on indictment, to a fine;
  - (b) on summary conviction in England and Wales, to a fine;
  - (c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.
- (13) In this section –
- “relevant body” means a body corporate or a partnership (wherever incorporated or formed);
- “sheriff court district” is to be read in accordance with the Criminal Procedure (Scotland) Act 1995 (see section 307(1) of that Act).
- (14) In this section “financial year” –
- (a) in relation to a UK company, has the meaning given by the Companies Act 2006 (see section 390 of that Act);
  - (b) in relation to a relevant body that is not a UK company means –
    - (i) any period in respect of which a profit and loss account of the relevant body is required to be made up (by its constitution or by the law under which it is established), whether that period is a year or not, or
    - (ii) if the body is not required by its constitution or the law under which it is established to draw up a profit and loss account, a calendar year.”

152

Insert the following new Clause –

**“Fraud offences: supplementary**

- (1) The Secretary of State may by regulations amend Schedule (*Failure to prevent fraud: fraud offences*) by –
  - (a) removing an offence from the list in the Schedule, or
  - (b) adding an offence to that list.
- (2) The power in subsection (1) is exercisable by the Scottish Ministers (and not by the Secretary of State) so far as it may be used to make provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.
- (3) The power in subsection (1) is exercisable by the Department of Justice in Northern Ireland (and not by the Secretary of State) so far as it may be used to make provision that –
  - (a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and

- (b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State.
- (4) An offence added under subsection (1)(b) must be –
- (a) an offence of dishonesty,
  - (b) an offence that is otherwise of a similar character to those listed (on the passing of this Act) in paragraphs 1 to 6 of Schedule (*Failure to prevent fraud: fraud offences*), or
  - (c) a relevant money laundering offence.
- (5) The Secretary of State may from time to time by regulations restate Schedule (*Failure to prevent fraud: fraud offences*) as amended by virtue of subsections (1) to (3) (without changing the effect of the Schedule).
- (6) For the purposes of section (*Failure to prevent fraud*)(1), where a fraud offence is found to have been committed over a period of 2 or more days, or at some time during a period of 2 or more days, and that period of days straddles the beginning of a financial year of the relevant body in question, the fraud offence must be taken to have been committed on the last of those days.
- (7) In this section “relevant money laundering offence” means an offence under any of the following sections of the Proceeds of Crime Act 2002 –
- (a) section 327 (concealing etc);
  - (b) section 328 (arrangements);
  - (c) section 329 (acquisition, use and possession).”

153

Insert the following new Clause –

**“Section (*Failure to prevent fraud*): large organisations**

- (1) For the purposes of section (*Failure to prevent fraud*)(1) a relevant body is a “large organisation” only if the body satisfied two or more of the following conditions in the financial year of the body (“year P”) that precedes the year of the fraud offence –

Turnover	More than £36 million
Balance sheet total	More than £18 million
Number of employees	More than 250.

- (2) The reference in subsection (1) to a relevant body does not include a relevant body which is a parent undertaking (as to which see section (*Large organisations: parent undertakings*)).”
- (3) For a period that is a relevant body’s financial year but not in fact a year, the figure for turnover must be proportionately adjusted.
- (4) In subsection (1) the “number of employees” means the average number of persons employed by the relevant body in year P, determined as follows –
- (a) find for each month in year P the number of persons employed under contracts of service by the relevant body in that month (whether throughout the month or not),



- (b) add together the monthly totals, and  
(c) divide by the number of months in year P.
- (5) In this section –  
“balance sheet total”, in relation to a relevant body and a financial year –  
(a) means the aggregate of the amounts shown as assets in its balance sheet at the end of the financial year, or  
(b) where the body has no balance sheet for the financial year, has a corresponding meaning;  
“turnover” –  
(a) in relation to a UK company, has the same meaning as in Part 15 of the Companies Act 2006 (see section 474 of that Act);  
(b) in relation to any other relevant body, has a corresponding meaning;  
“year of the fraud offence” is to be interpreted in accordance with section (*Failure to prevent fraud*)(1).
- (6) The Secretary of State may by regulations modify this section (other than this subsection and subsections (7) and (9)) and section (*Large organisations: parent undertakings*) for the purpose of altering the meaning of “large organisation” in section (*Failure to prevent fraud*)(1).
- (7) The Secretary of State may (whether or not the power in subsection (6) has been exercised) by regulations –  
(a) omit the words “which is a large organisation” in section (*Failure to prevent fraud*)(1), and  
(b) make any modifications of this section (other than this subsection) that the Secretary of State thinks appropriate in consequence of provision made under paragraph (a).
- (8) Before making regulations under subsection (6) or (7) the Secretary of State must consult –  
(a) the Scottish Ministers, and  
(b) the Department of Justice in Northern Ireland.
- (9) Regulations under subsection (6) or (7) may make consequential amendments of section (*Failure to prevent fraud: minor definitions*).”

154

Insert the following new Clause –

**“Large organisations: parent undertakings**

- (1) For the purposes of section (*Failure to prevent fraud*)(1) and (2) a relevant body which is a parent undertaking is a “large organisation” only if the group headed by it satisfied two or more of the following conditions in the financial year of the body that precedes the year of the fraud offence –

Aggregate turnover	More than £36 million net (or £43.2 million gross)
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Aggregate balance sheet total	More than £18 million net (or £21.6 million gross)
Aggregate number of employees	More than 250.

- (2) The aggregate figures are ascertained by aggregating the relevant figures determined in accordance with section (*Section 188: large organisations*) for each member of the group.
- (3) In relation to the aggregate figures for turnover and balance sheet total, “net” and “gross” –
- except where paragraph (b) applies, have the meaning given by subsection (6) of section 466 of the Companies Act 2006;
  - in the case of accounts that are not of a kind specified in the definition of “net” in that subsection, have a corresponding meaning.
- (4) In this section –
- “balance sheet total” (in relation to a relevant body and a financial year) has the same meaning as in section (*Section 188: large organisations*);
  - “group” means a parent undertaking and its subsidiary undertakings;
  - “turnover” (in relation to a UK company or other relevant body) has the same meaning as in section (*Section 188: large organisations*);
  - “year of the fraud offence” is to be interpreted in accordance with section (*Failure to prevent fraud*)(1) or (2) (as the case requires).
- (5) In this section “balance sheet total” and “turnover”, in relation to a subsidiary undertaking which is not a relevant body, have a meaning corresponding to the meaning given by subsection (4).”

155

Insert the following new Clause –

**“Offences under section (*Failure to prevent fraud*) committed by partnerships**

- Proceedings for an offence under section (*Failure to prevent fraud*) alleged to have been committed by a partnership must be brought in the name of the partnership (and not in that of any of the partners).
- For the purposes of such proceedings –
  - rules of court relating to the service of documents have effect as if the partnership were a body corporate, and
  - the following provisions apply as they apply in relation to a body corporate –
    - section 33 of the Criminal Justice Act 1925 and Schedule 3 to the Magistrates’ Courts Act 1980;
    - section 18 of the Criminal Justice Act (Northern Ireland) 1945 (c. 15 (N.I.)) and Schedule 4 to the Magistrates’ Courts (Northern Ireland) Order 1981 (S.I. 1981/1675 (N.I. 26));
    - sections 34(2), 66(6AA) and 72D(2) of the Criminal Procedure (Scotland) Act 1995.
- A fine imposed on the partnership on its conviction for an offence under section (*Failure to prevent fraud*) is to be paid out of the partnership assets.”

156 Insert the following new Clause –

**“Guidance about preventing fraud offences**

- (1) The Secretary of State must issue guidance about procedures that relevant bodies can put in place to prevent persons associated with them from committing fraud offences as mentioned in section (*Failure to prevent fraud*)(1).
- (2) The Secretary of State may from time to time revise the whole or any part of the guidance issued under this section.
- (3) The Secretary of State must publish –
  - (a) any guidance issued under this section;
  - (b) any revision of that guidance.
- (4) Before issuing or revising guidance under this section the Secretary of State must consult –
  - (a) the Scottish Ministers, and
  - (b) the Department of Justice in Northern Ireland.
- (5) The requirement to consult those persons may be satisfied by consultation carried out before this section comes into force.”

157 Insert the following new Clause –

**“Failure to prevent fraud: minor definitions**

- (1) This section applies for the purposes of sections (*Failure to prevent fraud*) to (*Guidance about preventing fraud offences*).
- (2) References to a person “associated with” a relevant body are to be interpreted in accordance with section (*Failure to prevent fraud*)(7).
- (3) “Financial year” has the meaning given by section (*Failure to prevent fraud*)(14).
- (4) “Fraud offence” has the meaning given by section (*Failure to prevent fraud*)(6).
- (5) “Modify” includes amend or repeal (and references to modifications are to be interpreted accordingly).
- (6) “Parent undertaking” has the same meaning as in the Companies Acts (see section 1162 of the Companies Act 2006).
- (7) “Partnership” means –
  - (a) a partnership within the meaning of the Partnership Act 1890;
  - (b) a limited partnership registered under the Limited Partnerships Act 1907;
  - (c) a firm or other entity of a similar character to one within paragraph (a) or (b) formed under the law of a country or territory outside the United Kingdom.
- (8) “Relevant body” has the meaning given by section (*Failure to prevent fraud*)(13).
- (9) “Subsidiary undertaking” has the same meaning as in the Companies Acts (see section 1162 of the Companies Act 2006).

- (10) “UK company” means a company formed and registered under the Companies Act 2006.”

158 Insert the following new Clause—

**“Failure to prevent fraud: miscellaneous**

- (1) In section 61(1) of the Serious Organised Crime and Police Act 2005 (offences to which certain investigatory powers apply), at the end insert—
- “(k) an offence under section (*Failure to prevent fraud*) of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences).”
- (2) In Schedule 1 to the Serious Crime Act 2007 (offences which are serious offences for purposes of serious crime prevention orders)—
- (a) in Part 1 (serious offences in England and Wales), in paragraph 7, after sub-paragraph (2) insert—
- “(2A) An offence under section (*Failure to prevent fraud*) of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences).”;
- (b) in Part 1A (serious offences in Scotland), in paragraph 16J, after sub-paragraph (1) insert—
- “(1A) An offence under section (*Failure to prevent fraud*) of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences).”;
- (c) in Part 2 (serious offences in Northern Ireland), in paragraph 23, after sub-paragraph (2) insert—
- “(2A) An offence under section (*Failure to prevent fraud*) of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences).”
- (3) In Part 2 of Schedule 17 to the Crime and Courts Act 2013 (offences in relation to which a deferred prosecution agreement may be entered into), after paragraph 27A insert—
- “27B An offence under section (*Failure to prevent fraud*) of the Economic Crime and Corporate Transparency Act 2023 (failure to prevent fraud offences).”

159 Insert the following new Clause—

**“Failure to prevent fraud and money laundering**

- (1) A relevant body is guilty of an offence if a person who is associated with the body (“the associate”) commits a fraud or money laundering offence intending to benefit (whether directly or indirectly)—
- (a) the relevant body, or
- (b) any person to whom, or to whose subsidiary, the associate provides services on behalf of the relevant body.
- (2) The relevant body is not guilty of an offence under subsection (1)(a) where the conduct underlying the offence was intended to cause harm to the body.

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- (3) It is a defence for the relevant body to prove that, at the time the relevant offence was committed –
- (a) the body had in place such prevention procedures as it was reasonable in all the circumstances to expect the body to have in place, or
  - (b) it was not reasonable in all the circumstances to expect the body to have any prevention procedures in place.
- (4) In subsection (3) “prevention procedures” means procedures designed to prevent persons associated with the body from committing fraud or money laundering offences as mentioned in subsection (1).
- (5) A “fraud or money laundering offence” is an act which constitutes –
- (a) an offence listed in Schedule (*Failure to prevent fraud: fraud offences*) (a “listed offence”), or
  - (b) aiding, abetting, counselling or procuring the commission of a listed offence.
- (6) For the purposes of this section a person is associated with a relevant body if –
- (a) the person is an employee, agent or subsidiary of the relevant body, or
  - (b) the person otherwise performs services for or on behalf of the body.
- (7) Whether or not a particular person performs services for or on behalf of a relevant body is to be determined by reference to all the relevant circumstances and not merely by reference to the nature of the relationship between that person and the body.
- (8) Where a relevant body is liable to be proceeded against for an offence under subsection (1) in a particular part of the United Kingdom, proceedings against the body for the offence may be taken in any place in the United Kingdom.
- (9) Where by virtue of subsection (8) proceedings against a relevant body for an offence are to be taken in Scotland –
- (a) the body may be prosecuted, tried and punished in a sheriff court district determined by the Lord Advocate, as if the offence had been committed in that district, and
  - (b) the offence is, for all purposes incidental to or consequential on the trial or punishment, deemed to have been committed in that district.
- (10) A relevant body guilty of an offence under this section is liable –
- (a) on conviction on indictment, to a fine;
  - (b) on summary conviction in England and Wales, to a fine;
  - (c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.
- (11) In this section –
- “relevant body” means –
- (a) a body which is incorporated under the law of any part of the United Kingdom and which carries on a business (whether there or elsewhere),

- (b) any other body corporate (wherever incorporated) which carries on a business, or part of a business, in any part of the United Kingdom,
- (c) a partnership which is formed under the law of any part of the United Kingdom and which carries on a business (whether there or elsewhere), or
- (d) any other partnership (wherever formed) which carries on a business, or part of a business, in any part of the United Kingdom,

and, for the purposes of this section, a trade or profession is a business;

“sheriff court district” is to be read in accordance with the Criminal Procedure (Scotland) Act 1995 (see section 307(1) of that Act).

- (12) It is immaterial for the purposes of subsection (1) whether –
- (a) any relevant conduct of a relevant body, or
  - (b) any conduct which constitutes part of a relevant fraud or money laundering offence,
- takes place in the United Kingdom or elsewhere.”

#### **After Clause 187**

160 Insert the following new Clause –

*“Sanctions enforcement: monetary penalties*

#### **Sanctions enforcement: monetary penalties**

- (1) In section 143 of the Policing and Crime Act 2017 (interpretation), in subsection (4) (meaning of “financial sanctions legislation”), in paragraph (f) –
  - (a) the words from “contains” to the end become sub-paragraph (i);
  - (b) at the end of that sub-paragraph insert – “;
    - (ii) makes supplemental provision (within the meaning of section 1(6) of that Act) in connection with any prohibition or requirement mentioned in sub-paragraph (i).”
- (2) The Sanctions and Anti-Money Laundering Act 2018 is amended as follows.
- (3) In section 17 (enforcement), in subsection (9), in paragraph (a), after “(2)” insert “or makes supplemental provision in connection with any such prohibition or requirement”.
- (4) After section 17 insert –

#### **“17A Enforcement: monetary penalties**

- (1) The provision that may be made by virtue of section 17(2) (enforcement of prohibitions or requirements) includes provision authorising a prescribed person to impose a monetary penalty on another person if satisfied, to the prescribed standard of proof, that the other person has breached a prohibition, or failed to comply with a requirement, that is imposed by or under regulations.

- (2) Regulations authorising the Treasury to impose a monetary penalty in respect of a breach or failure for which the Treasury could impose a monetary penalty under Part 8 of the Policing and Crime Act 2017 may not be made unless the regulations also make provision of the kind mentioned in section 17(9) to disapply Part 8 of that Act in respect of that breach or failure.
- (3) Regulations authorising the imposition of a monetary penalty may make provision that, in determining for the purposes of the regulations whether a person has breached a prohibition, or failed to comply with a requirement, any requirement relating to the person's knowledge or intention is to be ignored.
- (4) Regulations authorising the imposition of a monetary penalty must provide that—
  - (a) a person is not liable to such a penalty in respect of conduct amounting to an offence if—
    - (i) proceedings have been brought against the person for that offence in respect of that conduct and the proceedings are ongoing, or
    - (ii) the person has been convicted of that offence in respect of that conduct, and
  - (b) no proceedings may be brought against a person in respect of conduct amounting to an offence if the person has been given such a penalty under the regulations in respect of that conduct.
- (5) Where regulations authorising the imposition of a monetary penalty authorise a prescribed person to determine the amount of the penalty, the regulations must provide for a maximum penalty.
- (6) The maximum penalty may be a prescribed sum of any amount or may be calculated in accordance with the regulations.
- (7) In this section—
 

“conduct” means an act or omission;

“regulations” mean regulations under section 1.””

161

Insert the following new Clause—

*Civil recovery of proceeds of crime: costs of proceedings*

**“Civil recovery: costs of proceedings**

After section 313 of the Proceeds of Crime Act 2002 insert—

**“313A Costs orders**

- (1) This section applies to proceedings brought by an enforcement authority under Part 5 of the Proceeds of Crime Act 2002 where the property in respect of which the proceedings have been brought has been obtained through economic crime.

- (2) The court may not make an order that any costs of proceedings relating to a case to which this section applies (including appeal proceedings) are payable by an enforcement authority to a respondent or a specified responsible officer in respect of the involvement of the respondent or the officer in those proceedings, unless –
- (a) the authority acted unreasonably in making or opposing the application to which the proceedings relate, or in supporting or opposing the making of the order to which the proceedings relate,
  - (b) the authority acted dishonestly or improperly in the course of the proceedings, or
  - (c) it would not be in the interests of justice.”

#### Clause 189

- 162** Page 173, line 21, after “Regulations” insert “made by the Secretary of State or the Lord Chancellor”
- 163** Page 173, line 21, at end insert –
- “(2A) For regulations made under this Act by the Scottish Ministers, see section 27 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10) (Scottish statutory instruments).
- (2B) Any power of the Department of Justice in Northern Ireland to make regulations under this Act is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)).”
- 164** Page 173, line 33, at end insert –
- “(ea) regulations made by the Secretary of State under section (*Power to amend list of economic crimes*)(1);”
- 165** Page 173, line 33, at end insert –
- “(ea) regulations made by the Secretary of State under section (*Fraud offences: supplementary*)(1);
- (eb) regulations under section (*Section (Failure to prevent fraud): large organisations*) (5) or (6);”
- 166** Page 173, line 37, at end insert –
- “(4A) But subsection (4) does not apply to a statutory instrument that only contains regulations appointing the appointed day for the purposes of section 51.”
- 167** Page 173, line 37, at end insert –
- “(4A) Regulations made by the Scottish Ministers under section (*Power to amend list of economic crimes*)(1) or (*Fraud offences: supplementary*)(1) are subject to the affirmative procedure (see section 29 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10)).
- (4B) Regulations made by the Department of Justice in Northern Ireland under section (*Power to amend list of economic crimes*)(1) or (*Fraud offences: supplementary*)(1) may not be made unless a draft of the regulations has been laid before, and approved by a resolution of, the Northern Ireland Assembly.”



- 168 Page 173, line 38, leave out “section 191” and insert “sections (*Commencement*) and (*Transitional provision*)”

#### Clause 190

- 169 Page 173, line 41, leave out “subsection” and insert “subsections (1A) and”

- 170 Page 173, line 41, at end insert –

“(1A) Sections (*Strategic litigation public participation: requirement to make rules of court*) and (*Meaning of “SLAPP” claim*) extend to England and Wales only.”

#### Clause 191

- 171 Leave out Clause 191 and insert the following new Clause –

##### “Commencement

- (1) Except as provided by subsections (2) to (5), this Act comes into force on such day as the Secretary of State or the Lord Chancellor may by regulations made by statutory instrument appoint.
- (2) The following come into force on the day on which this Act is passed –
  - (a) this Part;
  - (b) any provision of, or amendment made by, Parts 1 to 5 so far as it confers a power to make regulations or relates to the exercise of the power;
  - (c) paragraph 1 of Schedule 7 so far as it inserts section 303Z25 into the Proceeds of Crime Act 2002;
  - (d) paragraph 16 of Schedule 7 so far as it relates to that section;
  - (e) section 168 so far as it relates to the provisions mentioned in paragraphs (c) and (d);
  - (f) section 170;
  - (g) section (*Money laundering: offences of failing to disclose*);
  - (h) section 172(12) and (13);
  - (i) section 173(13) and (14).
- (3) The following come into force at the end of the period of 2 months beginning with the day on which this Act is passed –
  - (a) section (*Attributing criminal liability for economic crimes to certain bodies*) and Schedule (*Criminal liability of bodies: economic crimes*);
  - (b) section (*Power to amend list of economic crimes*);
  - (c) section (*Offences under section (Attributing criminal liability for 187 crimes to certain bodies) committed by partnerships*);
  - (d) section 187.
- (4) The following come into force (so far as not brought into force by subsection (2)(b)) on such day as the Scottish Ministers may by regulations appoint after consulting the Secretary of State –
  - (a) Part 2 of Schedule 6, and
  - (b) section 167 so far as it relates to that Part.

- (5) The following come into force (so far as not brought into force by subsection (2)(b)) on such day as the Department of Justice in Northern Ireland may by order appoint after consulting the Secretary of State –
  - (a) Part 3 of Schedule 6, and
  - (b) section 167 so far as it relates to that Part.
- (6) No regulations may be made under subsection (1) bringing into force any of the following provisions, so far as they extend to Scotland, unless the Secretary of State has consulted the Scottish Ministers –
  - (a) Schedule 7, and
  - (b) section 168 so far as it relates to that Schedule.
- (7) No regulations may be made under subsection (1) bringing into force any of the following provisions, so far as they extend to Northern Ireland, unless the Secretary of State has consulted the Department of Justice in Northern Ireland –
  - (a) Schedule 7, other than paragraphs 6(7), 10 and 11, and
  - (b) section 168 so far as it relates to that Schedule, other than paragraphs 6(7), 10 and 11.
- (8) No regulations may be made under subsection (1) bringing into force section (*Failure to prevent fraud*) unless the Secretary of State has published guidance under section (*Guidance about preventing fraud offences*)(3).
- (9) Regulations under subsection (1) or (4), and orders subsection (5), may appoint different days for –
  - (a) different purposes, and
  - (b) where regulations under subsection (1) appoint a day for the coming into force of any provision of Schedule 7 or 8, different areas.
- (10) A power of the Department of Justice in Northern Ireland to make an order under subsection (5) is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)).”

#### After Clause 191

172 Insert the following new Clause –

#### “Transitional provision

- (1) The Secretary of State may by regulations made by statutory instrument make transitional or saving provision in connection with the coming into force of any provision of this Act, other than a provision mentioned in section (*Commencement*)(4) or (5).
- (2) The Scottish Ministers may by regulations make transitional or saving provision in connection with the coming into force of a provision mentioned in section (*Commencement*)(4).
- (3) The Department of Justice in Northern Ireland may by order make transitional or saving provision in connection with the coming into force of a provision mentioned in section (*Commencement*)(5).
- (4) The power to make regulations under subsection (1) or (2), and the power to make orders under subsection (3), includes power to make different provision for –
  - (a) different purposes, and

- (b) where regulations under subsection (1) make provision in connection with the coming into force of any provision of Schedule 7 or 8, different areas.
- (5) Transitional provision and savings made under subsections (1) to (3) are additional, and without prejudice, to those made by or under any other provision of this Act.
- (6) A power of the Department of Justice in Northern Ireland to make an order under subsection (3) is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)).”

## Schedule 2

- 173 Page 177, line 26, at end insert –  
 “(f) if the person would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect specifying –  
 (i) the date on which the licence was issued, and  
 (ii) by whom it was issued.”
- 174 Page 177, line 27, after second “permission” insert “of a court”
- 175 Page 180, line 1, leave out “191(7)” and insert “*Transitional provision(1)*”
- 176 Page 183, line 38, leave out paragraph 9 and insert –  
 “9 In section 790C (key terms), omit subsection (10).”
- 177 Page 184, line 17, at end insert –  
 “9A After section 790C insert –  
**“790CA References to “confirmation” etc of information**  
 For the purposes of this Part a company has had confirmation of –  
 (a) a person’s status as a registrable person or a registrable relevant legal entity in relation to the company,  
 (b) the required particulars of a person (see section 790K),  
 (c) any other information about a person,  
 if the person has supplied that information to the company whether or not in pursuance of any duty imposed by this Part (and references to a company obtaining confirmation of information are to be read accordingly).”

178 Page 184, line 18, leave out paragraphs 10 to 13 and insert—

“10 For sections 790D and 790E substitute—

**“790CB Duty to find out about persons with significant control**

A company to which this Part applies must take reasonable steps to find out if there is anyone who is a registrable person or a registrable relevant legal entity in relation to the company and, if so, to identify them.

**790D Company’s duty to give notices to persons with significant control**

- (1) A company to which this Part applies must give a notice to a person under this section if—
  - (a) the company knows or has cause to believe that the person is a registrable person or a registrable relevant legal entity in relation to the company, but
  - (b) the company has not had confirmation of the person’s status as a registrable person or registrable relevant legal entity or has not had confirmation of all of the required particulars of the person (see section 790K).
- (2) The notice must require the person—
  - (a) to inform the company whether the person is a registrable person or a registrable relevant legal entity in relation to the company, and
  - (b) if they are, to give the company all of the required particulars of the person (see section 790K).
- (3) The notice must require the person to whom it is given to comply with the notice by no later than the end of the period of one month beginning with the day on which it is given.
- (4) The company must give the notice—
  - (a) as soon as reasonably practicable after the company becomes subject to the duty to give a notice under this section, and
  - (b) in any event before the end of the period of 14 days beginning with the day on which the company becomes so subject.
- (5) A company is not required to give a notice under this section to a person if—
  - (a) the application for the registration of the company contained a statement of initial significant control naming the person as someone who would, on the company’s incorporation, become a registrable person or a registrable relevant legal entity in relation to the company, and
  - (b) the company has no cause to believe that at any time since its incorporation the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company.

- (6) The Secretary of State may by regulations make further provision about the giving of notices under this section, including provision about their form and content and the manner in which they must be given.
- (7) Regulations under subsection (6) are subject to negative resolution procedure.

#### **790DA Obtaining information from third parties**

- (1) A company to which this Part applies may give a notice to a person under this section if it knows or has cause to believe that the person—
  - (a) knows the identity of someone who falls within subsection (2), or
  - (b) knows the identity of someone likely to have that knowledge.
- (2) The persons who fall within this subsection are—
  - (a) a registrable person in relation to the company;
  - (b) a relevant legal entity in relation to the company;
  - (c) an entity which would be a relevant legal entity in relation to the company but for the fact that section 790C(6)(b) does not apply in respect of it.
- (3) A company must give a notice under subsection (1) to a person (“a third party”) if the company—
  - (a) knows or has cause to believe that a person is a registrable person or a registrable relevant legal entity in relation to the company (“a suspected PSC”),
  - (b) is under a duty to give the suspected PSC a notice under section 790D but does not have the information that it needs in order to contact them, and
  - (c) knows or has cause to believe that the third party—
    - (i) knows the identity of the suspected PSC, or
    - (ii) knows the identity of someone likely to have that knowledge.
- (4) A notice under subsection (1) must require the person to whom it is given (“the recipient”)—
  - (a) to inform the company whether the recipient knows the identity of any person who—
    - (i) falls within subsection (2), or
    - (ii) is likely to know the identity of anyone who falls within subsection (2), and
  - (b) if the recipient does, to give the company any information within the recipient’s knowledge that would allow the company to contact each such person.
- (5) The notice must require the person to whom it is given to comply with the notice by no later than the end of the period of one month beginning with the day on which it is given.

- (6) A person to whom a notice under subsection (1) is given is not required by that notice to disclose any information in respect of which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.
- (7) The Secretary of State may by regulations make further provision about the giving of notices under this section, including provision about their form and content and the manner in which they must be given.
- (8) Regulations under subsection (7) are subject to negative resolution procedure.
- (9) In this section a reference to knowing the identity of a person includes knowing information from which that person can be identified.

#### **790E Company's duty to find out about changes in PSC information**

- (1) This section applies if a company –
  - (a) knows or has cause to believe that there has been a change in the required particulars of a registrable person or a registrable relevant legal entity in relation to the company (see section 790K), but
  - (b) has not had confirmation that the change has occurred or has not had confirmation of all of the information that the company would need to include in a notice of the change under section 790LC(1) or 790LCA(1).
- (2) The company must give the person a notice requiring the person –
  - (a) to inform the company whether the change has occurred, and
  - (b) if it has, to give the company the information that the company would need to include in a notice of the change under section 790LC(1) or 790LCA(1).
- (3) The notice must require the person to whom it is given to comply with the notice by no later than the end of the period of one month beginning with the day on which it is given.
- (4) The company must give the notice –
  - (a) as soon as reasonably practicable after the company becomes subject to the duty to give a notice under subsection (2), and
  - (b) in any event before the end of the period of 14 days beginning with the day on which the company becomes so subject.
- (5) The Secretary of State may by regulations make further provision about the giving of notices under this section, including provision about their form and content and the manner in which they must be given.
- (6) Regulations under subsection (5) are subject to negative resolution procedure.

**790EA Company's duty to find out about persons ceasing to be PSCs**

- (1) This section applies if a company –
  - (a) knows or has cause to believe that a person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company, but
  - (b) has not had confirmation that the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company or has not had confirmation of the date on which the person so ceased.
- (2) The company must give the person a notice requiring the person –
  - (a) to inform the company whether the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company, and
  - (b) if the person has, to inform the company of the date on which the person so ceased.
- (3) The notice must require the person to whom it is given to comply with the notice by no later than the end of the period of one month beginning with the day on which it is given.
- (4) The company must give the notice –
  - (a) as soon as reasonably practicable after the company becomes subject to the duty under subsection (2), and
  - (b) in any event before the end of the period of 14 days beginning with the day on which the company becomes so subject.
- (5) The Secretary of State may by regulations make further provision about the giving of notices under this section, including provision about their form and content and the manner in which they must be given.
- (6) Regulations under subsection (5) are subject to negative resolution procedure.

**790EB Company's duty to notify failure to comply with notices**

- (1) A company must notify the registrar if a person fails to comply with a notice given by the company under section 790D, 790DA, 790E or 790EA within the period specified in it.
- (2) The notice must be given within the period of 14 days beginning with end of the period specified in the notice under section 790D, 790DA, 790E or 790EA.

**790EC Company's duty to notify of late compliance with notices**

- (1) A company must notify the registrar if a person who has failed to comply with a notice given by the company under section 790D, 790DA, 790E or 790EA within the period specified in it subsequently complies.
- (2) The notice must be given within the period of 14 days beginning with the day on which the person complied with the notice under section 790D, 790DA, 790E or 790EA.”

- 11 In section 790F (failure by company to comply with information duties), for subsection (1) substitute –

“(1) If a company fails, without reasonable excuse, to comply with a duty under section 790CB, 790D, 790DA(3), 790E, 790EA, 790EB or 790EC to take steps or give a notice, an offence is committed by –

- (a) the company, and
- (b) every officer of the company who is in default.”

- 12 For sections 790G and 790H substitute –

**“790G Duty to notify company on becoming PSC**

- (1) This section applies to a person if –
- (a) the person knows that they are a registrable person or a registrable relevant legal entity in relation to a company,
  - (b) the material in the register that is available for public inspection does not indicate the person’s status as a registrable person or registrable relevant legal entity in relation to the company, and
  - (c) the person –
    - (i) has not informed the company of the person’s status as a registrable person or registrable relevant legal entity in relation to the company, or
    - (ii) has not given the company all of the required particulars of the person (see section 790K).
- (2) The person must –
- (a) inform the company of the person’s status as a registrable person or registrable relevant legal entity in relation to the company, and
  - (b) give the company the required particulars (see section 790K).
- (3) The person must comply with the duty in subsection (2) before the end of the period of one month beginning with the day on which the conditions in subsection (1) are met.

**790H Duty to notify company of changes in PSC information**

- (1) This section applies to a person if –
- (a) the person knows that they are a registrable person or a registrable relevant legal entity in relation to a company,
  - (b) there has been a change in the required particulars of the person (see section 790K) and the person knows that to be the case, and
  - (c) the person has not informed the company of the change or has not given the company all of the information that the company would need to include in a notice of the change under section 790LC(1) or 790LCA(1).
- (2) The person must –
- (a) inform the company of the change, and
  - (b) give the company the information that the company would need to include in a notice of the change under section 790LC(1) or 790LCA(1).



- (3) The person must comply with the duty in subsection (2) before the end of the period of one month beginning with the day on which the conditions in subsection (1) are met.

**790HA Duty to notify company of ceasing to be a PSC**

- (1) This section applies to a person if—
- (a) the person knows that they have ceased to be a registrable person or a registrable relevant legal entity in relation to a company,
  - (b) the material in the register that is available for public inspection does not indicate the person as having ceased to be a registrable person or a registrable relevant legal entity in relation to a company, and
  - (c) the person has not informed the company of having ceased to be a registrable person or a registrable relevant legal entity in relation to the company or has not informed the company of the date on which the person so ceased.
- (2) The person must inform the company—
- (a) that the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company, and
  - (b) of the date on which the person so ceased.
- (3) The person must comply with the duty in subsection (2) before the end of the period of one month beginning with the day on which the conditions in subsection (1) are met.”

12A In section 790I (enforcement of disclosure requirements), for the words from “a notice” to the end substitute “—

- (a) a notice under section 790D, 790DA, 790E or 790EA, or
- (b) a duty under section 790G, 790H or 790HA.”

13 In section 790J (power to make exemptions)—

- (a) in subsection (2)(a), for “790D(2) or 790E” substitute “790D, 790E or 790EA”;
- (b) in subsection (2)(c), for “790D(5)” substitute “790DA”;
- (c) in subsection (2)(d), for “and 790H” substitute “, 790H and 790HA”;
- (d) in subsection (2)(e) for “section 790M” substitute “any of sections 12A, 790LA, 790LBA, 790LC, 790LCA, 790LCB, 790LD, 790LDA”.

179 Page 185, line 30, at end insert “of persons with significant control”

180 Page 185, leave out line 31 to line 10 on page 186 and insert—

**“790LA Duty to notify registrar of confirmed persons with significant control**

- (1) A company must give a notice to the registrar if it has had confirmation of—
- (a) a person’s status as a registrable person or a registrable relevant legal entity in relation to the company, and
  - (b) the required particulars of the person (see section 790K).

- (2) A notice under subsection (1) must contain a statement of the required particulars.
- (3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company had confirmation as mentioned in that subsection.
- (4) A company is not required to give a notice under this section in relation to a person if—
  - (a) the application for the registration of the company contained a statement of initial significant control naming the person as someone who would, on the company’s incorporation, become a registrable person or a registrable relevant legal entity in relation to the company, and
  - (b) the company has no cause to believe that at any time since its incorporation the person has ceased to be a registrable person or a registrable relevant legal entity in relation to the company.
- (5) Nothing in section 126 (notice of trusts not receivable by registrar) affects the duty to give a notice under this section (or the receipt of that notice by the registrar).”

181 Page 186, line 12, leave out “(a)”

182 Page 186, line 15, leave out “(a)”

183 Page 186, line 27, at end insert —

**“790LBA Duty to notify registrar of unconfirmed persons with significant control**

- (1) A company must give a notice to the registrar if—
  - (a) it knows or has cause to believe that a person has become a registrable person or a registrable relevant legal entity in relation to the company, but
  - (b) it has not yet had confirmation as mentioned in section 790LA(1).
- (2) The notice must state that fact.
- (3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company first knows or has cause to believe that the person has become a registrable person or a registrable relevant legal entity in relation to the company.
- (4) Nothing in this section requires a company, on its incorporation, to give a notice in relation to a person included in the statement of initial significant control under section 12A.”

184 Page 186, line 27, at end insert —

*“Duty to notify registrar of changes in required particulars”*

185 Page 186, line 29, leave out from “if” to end of line 32 and insert “it—

- (a) has had confirmation that there has been a change in the required particulars of a registrable person, or a registrable relevant legal entity, in relation to the company (see section 790K), and
- (a) has had confirmation of how the required particulars have changed and the date on which they changed.”

186 Page 186, leave out lines 36 to 39 and insert –

“(3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company had confirmation as mentioned in that subsection.”

187 Page 186, line 42, at end insert –

**“790LCA Duty to notify of pre-incorporation changes in required particulars**

- (1) A company must give a notice to the registrar if it –
  - (a) has had confirmation that there was a pre-incorporation change in the required particulars of a proposed PSC (see section 790K), and
  - (b) has had confirmation of how the required particulars have changed and the date on which they changed.
- (2) But a company is not required to give a notice under subsection (1) in respect of a person if it has given a notice under section 790LD in respect of the person.
- (3) A notice under subsection (1) must state –
  - (a) the change in the required particulars, and
  - (b) the date on which the change occurred.
- (4) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company had confirmation as mentioned in that subsection.
- (5) In this section –
  - “pre-incorporation change” means a change that occurred –
    - (a) after the application for the registration of the company was delivered to the registrar, but
    - (b) before the company was incorporated;
  - “proposed PSC”, in relation to a company, means a person who was named in a statement under section 12A(1)(a) as a person who would, on the company’s incorporation, become a registrable person or registrable relevant legal entity in relation to the company.”

188 Page 186, line 42, at end insert –

*“Duty to notify registrar of person ceasing to be person with significant control etc”*

189 Page 186, line 42, at end insert –

**“790LCB Duty to notify registrar when person ceases to have significant control**

- (1) A company must give a notice to the registrar if it –
  - (a) has had confirmation that a person has ceased to be a registrable person or a registrable relevant legal entity in relation to it, and
  - (b) has had confirmation of the date on which the person so ceased.
- (2) A notice under subsection (1) must state –
  - (a) the person’s name and service address, and
  - (b) the date on which the person ceased to be a registrable person or a registrable relevant legal entity in relation to the company.

- (3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company had confirmation as mentioned in that subsection.”

190 Page 187, line 1, leave out “changes occurring before company is incorporated” and insert “someone not becoming person with significant control on incorporation”

191 Page 187, line 2, leave out “becomes aware” and insert “knows”

192 Page 187, leave out lines 6 to 17

193 Page 187, line 19, leave out “becomes aware as” and insert “has the knowledge”

194 Page 187, leave out lines 21 to 24

195 Page 187, line 24, at end insert –

**“790LDA Duty to notify registrar if company ceases to have persons with significant control**

- (1) A company must give a notice to the registrar if it knows or has cause to believe that –

- (a) there has at some time been a person who is a registrable person or registrable relevant legal entity in relation to the company, and
- (b) there has ceased to be anyone who is a registrable person or registrable relevant legal entity in relation to the company.

- (2) A notice under subsection (1) must –

- (a) state that the company has that knowledge or cause to believe, and
- (b) specify the date on which the company first had that knowledge or cause to believe.

- (3) A notice under subsection (1) must be given within the period of 14 days beginning with the day on which the company first had the knowledge or cause to believe mentioned in that subsection.”

196 Page 187, line 29, at end insert “(including information about whether it has any);  
(b) compliance with Chapter 2 by the company or any person to whom the company has given a notice under that Chapter (including provision requiring a company to provide the registrar with a copy of any such notice, whether on request or otherwise).”

197 Page 187, line 29, at end insert –

“(1A) The provision that may be made by regulations under subsection (1) includes provision amending this Part.

(1B) The consequential provision that may be made by regulations under subsection (1) by virtue of section 1292(1) also includes provision amending any other provision of this Act.”

198 Page 187, line 34, after “790LA” insert “, 790LBA”

199 Page 187, line 34, leave out “or 790LD” and insert “, 790LCA, 790LCB, 790LD or 790LDA”

200 Page 188, line 2, after “790LA” insert “, 790LBA”

201 Page 188, line 3, leave out “or 790LD” and insert “, 790LCA, 790LCB, 790LD or 790LDA”

“17A(1) Schedule 1B (enforcement of disclosure requirements in relation to persons with significant control) is amended as follows.

- (2) In each of the following provisions, for “or 790E” substitute “, 790DA, 790E or 790EA” –
- (a) paragraph 1(1)(a) and (3)(a);
  - (b) paragraph 8(3)(a);
  - (c) paragraph 11(a) and (b);
  - (d) paragraph 12(2)(b).
- (3) For paragraphs 13 and 14 substitute –

*“Offence of failing to comply with notices*

- 13 (1) A person to whom a notice under section 790D, 790DA, 790E or 790EA is addressed commits an offence if the person fails, without reasonable excuse, to comply with the notice.
- (2) Where the person is a legal entity, the offence is also committed by every officer of the entity who is in default.
- (3) A person guilty of an offence under this paragraph is liable –
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
  - (b) on summary conviction –
    - (i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates’ court or a fine (or both);
    - (ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);
    - (iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both).

*Offence of failing to provide information*

- 14 (1) A person commits an offence if the person fails, without reasonable excuse, to comply with a duty under section 790G, 790H or 790HA.
- (2) Where the person is a legal entity, the offence is also committed by every officer of the entity who is in default.
- (3) A person guilty of an offence under this paragraph is liable –
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
  - (b) on summary conviction –
    - (i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates’ court or a fine (or both);
    - (ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

- (iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both).

*False statements: basic offence*

- 14A (1) A person commits an offence if, in purported compliance with a notice under section 790D, 790DA, 790E or 790EA or in purported compliance with a duty imposed by section 790G, 790H or 790HA, and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.
- (2) Where the person is a legal entity, the offence is also committed by every officer of the entity who is in default.
- (3) A person guilty of an offence under this paragraph is liable on summary conviction—
- (a) in England and Wales, to a fine;
  - (b) in Scotland, to a fine not exceeding level 5 on the standard scale;
  - (c) in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

*False statements: aggravated offence*

- 14B (1) A person commits an offence if, in purported compliance with a notice under section 790D, 790DA, 790E or 790EA or in purported compliance with a duty imposed by section 790G, 790H or 790HA, the person makes a statement that the person knows is misleading, false or deceptive in a material particular.
- (2) Where the person is a legal entity, the offence is also committed by every officer of the entity who is in default.
- (3) A person guilty of an offence under this paragraph is liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
  - (b) on summary conviction—
    - (i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or to a fine (or both);
    - (ii) in Scotland, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
    - (iii) in Northern Ireland, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum (or both).”

**After Schedule 5**

204 Insert the following new Schedule –

“SCHEDULE 5A

DUTY TO DELIVER INFORMATION ABOUT CHANGES IN BENEFICIARIES

- 1 The Economic Crime (Transparency and Enforcement) Act 2022 is amended as follows.
- 2 (1) Section 7 (updating duty) is amended as follows.
  - (2) In subsection (1)(a) and (b), for “statement and information mentioned” substitute “statements and information mentioned”.
  - (3) In subsection (3) –
    - (a) omit the “and” at the end of paragraph (a);
    - (b) at the end of paragraph (b) insert “, and
    - (c) the statement in row 1 of the table set out in subsection (4A), or the statement and information listed in row 2 of that table.”
  - (4) In subsection (4) –
    - (a) omit the “and” at the end of paragraph (a);
    - (b) at the end of paragraph (b) insert “, and
    - (c) in the case where the information provided under subsection (1)(b) includes information that a person who ceased to be a registrable beneficial owner was a trustee, the statement in row 1 of the table set out in subsection (4A), or the statement and information listed in row 2 of that table.”
  - (5) After subsection (4) insert –
 

“(4A) This is the table referred to in subsections (3)(c) and (4)(c) –

	<i>Statement</i>	<i>Information</i>
1	A statement that the entity has no reasonable cause to believe that anyone became or ceased to be a beneficiary under the trust at a time during the update period when the trustee was a registrable beneficial owner of the overseas entity.	

	<i>Statement</i>	<i>Information</i>
2	A statement that the entity has reasonable cause to believe that at least one person became or ceased to be a beneficiary under the trust at a time during the update period when the trustee was a registrable beneficial owner of the overseas entity.	<p>1. The information specified in paragraph 8(1)(d) of Schedule 1 about each such person, or so much of that information as the entity has been able to obtain.</p> <p>2. The date on which that person became or ceased to be a beneficiary under the trust, if the entity has been able to obtain that information.”</p>

(6) For subsections (6) and (7) substitute –

“(6) Any statements required by subsection (1)(a) or (b) must relate to the state of affairs as at the end of the update period.

(7) Any information –

(a) required by subsection (1)(a) or (b) as a result of a person having become or ceased to be a beneficiary under a trust, or

(b) required by subsection (1)(b) as a result of a person having become or ceased to be a registrable beneficial owner of an overseas entity,

must relate to the time when the person so became or so ceased.

(7A) Any other information required by subsection (1)(a) must relate to the state of affairs as at the end of the update period.”

3 (1) Section 9 (application for removal) is amended as follows.

(2) In subsection (1)(b) and (c), for “statement and information mentioned” substitute “statements and information mentioned”.

(3) In subsection (3) –

(a) omit the “and” at the end of paragraph (a);

(b) at the end of paragraph (b) insert “, and

(c) the statement in row 1 of the table set out in subsection (4A), or the statement and information listed in row 2 of that table.”

(4) In subsection (4) –

(a) omit the “and” at the end of paragraph (a);

(b) at the end of paragraph (b) insert “, and

(c) in the case where the information provided under subsection (1)(c) includes information that a person who ceased to be a registrable beneficial owner was a trustee, the statement in row 1 of the table set out in subsection (4A), or the statement and information listed in row 2 of that table.”

(5) After subsection (4) insert –

“(4A) This is the table referred to in subsections (3)(c) and (4)(c) –



	<i>Statement</i>	<i>Information</i>
1	A statement that the entity has no reasonable cause to believe that anyone became or ceased to be a beneficiary under the trust at a time during the relevant period when the trustee was a registrable beneficial owner of the overseas entity.	
2	A statement that the entity has reasonable cause to believe that at least one person became or ceased to be a beneficiary under the trust at a time during the relevant period when the trustee was a registrable beneficial owner of the overseas entity.	<p>1. The information specified in paragraph 8(1)(d) of Schedule 1 about each such person, or so much of that information as the entity has been able to obtain.</p> <p>2. The date on which that person became or ceased to be a beneficiary under the trust, if the entity has been able to obtain that information.”</p>

(6) In subsection (6), for “subsection (2)” substitute “this section”.

(7) For subsections (7) and (8) substitute –

“(7) Any statements required by subsection (1)(b) or (c) must relate to the state of affairs as at the time of the application for removal.

(8) Any information –

(a) required by subsection (1)(b) or (c) as a result of a person having become or ceased to be a beneficiary under a trust, or

(b) required by subsection (1)(c) as a result of a person having become or ceased to be a registrable beneficial owner of an overseas entity,

must relate to the time when the person so became or so ceased.

(8A) Any other information required by subsection (1)(b) must relate to the state of affairs as at the time of the application for removal.”

4 For section 12 substitute –

**“12 Duty to take steps to obtain information**

(1) Before making an application for registration under section 4(1) an overseas entity must take reasonable steps to obtain all of the information that it is required to deliver to the registrar under that section if it is able to obtain it.

(2) Before complying with the updating duty under section 7 an overseas entity must take reasonable steps to obtain all of the information that it is required to deliver to the registrar under that section if it is able to obtain it.

- (3) Before making an application for removal under section 9 an overseas entity must take reasonable steps to obtain all of the information that it is required to include in the application if it is able to obtain it.
- (4) The steps that an overseas entity must take by virtue of subsection (1), (2) or (3) include giving a notice to any person that it knows, or has reasonable cause to believe, is a registrable beneficial owner in relation to the entity, requiring the person –
  - (a) to state whether or not they are such a person, and
  - (b) if they are, to provide or confirm information of the kind mentioned in subsection (1), (2) or (3) so far as relating to the person, or a trust of which they are or were a trustee.
- (5) The steps that an overseas entity must take by virtue of subsection (2) or (3) also include giving a notice to any person that it knows, or has reasonable cause to believe, has ceased to be a registrable beneficial owner in relation to the entity during the update period (within the meaning of section 7) or relevant period (within the meaning of section 9), requiring the person –
  - (a) to state whether or not they are such a person, and
  - (b) if they are, to provide or confirm information of the kind mentioned in subsection (2) or (3) so far as relating to the person, or a trust of which they are or were a trustee.
- (6) A notice under subsection (4) or (5) must require the person to whom it is given to comply with the notice within the period of one month beginning with the day on which it is given.
- (7) A person given a notice under subsection (4) or (5) is not required by that notice to disclose any information in respect of which a claim to legal professional privilege or, in Scotland, confidentiality of communications, could be maintained in legal proceedings.”

5 In section 13, at the end insert –

“(6) A reference in this section to a person who is a registrable beneficial owner in relation to an overseas entity includes, in connection with the obtaining of information required by section 7(1)(b), 9(1)(c) or 42(1)(c)(i), a reference to a person who has ceased to be a registrable beneficial owner.”

6 After section 17 insert –

**“17A Exceptions to duty to provide change of beneficiary information**

- (1) The Secretary of State may by regulations provide for exceptions to the requirement to deliver information by virtue of section 7(3)(c) or (4)(c) or 9(3)(c) or (4)(c).
- (2) The Secretary of State must consult the Scottish Ministers before making regulations under subsection (1) that contain provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.

- (3) The Secretary of State must consult the Department of Finance in Northern Ireland before making regulations under subsection (1) that contain provision that—
- (a) would be within the legislative competence of the Northern Ireland Assembly if contained in an Act of that Assembly, and
  - (b) would not, if contained in a Bill for an Act of the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State under section 8 of the Northern Ireland Act 1998.
- (4) Regulations under subsection (1) are subject to the negative resolution procedure.”

7 In section 43 (transitional information), after subsection (1) insert—

“(1A) In subsection (1) the reference to section 12 is to that section as it had effect before the amendments made by Schedule (*Duty to deliver information about changes in beneficiaries*) to the Economic Crime and Corporate Transparency Act 2023 (duty to deliver information about changes in beneficiaries).”

8 In section 44 (interpretation), omit subsection (2).”

205 Insert the following new Schedule—

#### “SCHEDULE 5A

##### OVERSEAS ENTITIES: FURTHER INFORMATION FOR TRANSITIONAL CASES

- 1 The Economic Crime (Transparency and Enforcement) Act 2022 is amended as follows.
- 2 In section 16 (verification of registrable beneficial owners and managing officers), in subsection (1), after paragraph (c) insert—
- “(d) complies with the duty under Schedule 6 (duty to deliver further information about transitional period).”
- 3 After section 43 insert—

#### “43A Duty to deliver further information for transitional cases

Schedule 6 (duty to deliver further information for transitional cases) imposes further duties on overseas entities to deliver information.”

- 4 After Schedule 5 insert—

#### “SCHEDULE 6

##### DUTY TO DELIVER FURTHER INFORMATION FOR TRANSITIONAL CASES

##### *Application of this Schedule*

- 1 (1) This Schedule applies in relation to an overseas entity if—
- (a) the entity—
    - (i) is registered as an overseas entity when this Schedule comes into force or has been so registered at any earlier time, and

- (ii) was registered as the proprietor of a relevant interest in land in England and Wales or Scotland at any time during the relevant period, or
  - (b) the entity has committed an offence under paragraph 5 of Schedule 3 or paragraph 10 of Schedule 4 (duty to register as overseas entity in certain transitional cases).
- (2) For the purposes of sub-paragraph (1) –
  - (a) an overseas entity is registered as the proprietor of a relevant interest in land in England and Wales if the entity is registered in the register of title kept under the Land Registration Act 2002 as the proprietor of a qualifying estate within the meaning of Schedule 4A to that Act;
  - (b) an overseas entity is registered as the proprietor of a relevant interest in land in Scotland if the entity –
    - (i) is entered, on or after 8 December 2014, as proprietor in the proprietorship section of the title sheet for a plot of land that is registered in the Land Register of Scotland,
    - (ii) in relation to a lease that was recorded in the General Register of Sasines or registered in the Land Register of Scotland before that date is, by virtue of an assignation of the lease registered in the Land Register of Scotland on or after that date, the tenant under the lease, or
    - (iii) is the tenant under a lease that was registered in the Land Register of Scotland on or after that date.
- (3) Expressions used in sub-paragraph (2)(b) are to be construed in accordance with section 9(11) and (12).
- (4) In this Schedule “the relevant period” means the period –
  - (a) beginning with 28 February 2022;
  - (b) ending with 31 January 2023.

*Duty to deliver statements and information*

- 2 (1) The overseas entity must deliver to the registrar –
  - (a) any statements or information required by –
    - paragraph 3 (changes in beneficial ownership of overseas entity),
    - paragraph 4 (information about trusts and changes in beneficiaries under trusts), and
    - paragraph 5 (information about changes in trusts in which beneficial owners trustees),
  - (b) a statement that the entity has complied with paragraph 8 of this Schedule (duty to take steps to obtain information),
  - (c) anything required by regulations under section 16 (verification of information) to be delivered to the registrar, and

- (d) the name and contact details of an individual who may be contacted about the statements and information.
- (2) If an overseas entity is registered as an overseas entity when this Schedule comes into force it must deliver the statements and information required by this Schedule –
- (a) at the same time as it delivers the statements and information required by section 7 on the first occasion after the end of the period of 3 months beginning with the day on which this Schedule comes into force, or
- (b) if it applies under section 9 for removal before then, at the same time as it delivers the statements and information required by that section.
- (3) If an overseas entity is not registered as an overseas entity when this Schedule comes into force it must deliver the statements and information required by this Schedule within the period of 3 months beginning when it comes into force.

*Information about changes in beneficial ownership*

- 3 (1) The overseas entity must deliver to the registrar the statement in row 1 of the following table or the statement and information listed in row 2.

	<i>Statement</i>	<i>Information</i>
1	A statement that the entity has no reasonable cause to believe that anyone became or ceased to be a registrable beneficial owner during the relevant period.	
2	A statement that the entity has reasonable cause to believe that at least one person became or ceased to be a registrable beneficial owner during the relevant period.	<p>1. The required information about each person who became or ceased to be a registrable beneficial owner during the relevant period, or so much of that information as the entity has been able to obtain.</p> <p>2. The date on which each of them became or ceased to be a registrable beneficial owner, if the entity has been able to obtain that information.</p>

- (2) Where the information provided under sub-paragraph (1) includes information that the person who became or ceased to be a registrable beneficial owner was a registrable beneficial owner by virtue of being a trustee (see paragraphs 3(1)(f) and 5(1)(h) of Schedule 1), the overseas entity must also deliver to the registrar –
  - (a) the required information about the trust or so much of that information as the overseas entity has been able to obtain, and
  - (b) a statement as to whether the entity has any reasonable cause to believe that there is required information about the trust that it has not been able to obtain.
- (3) Statements required by this paragraph to be delivered to the registrar must relate to the time when they are delivered.
- (4) Information required by this paragraph to be delivered to the registrar as a result of a person having become or ceased to be a registrable beneficial owner must relate to the state of affairs when the person became or ceased to be a registrable beneficial owner.
- (5) For the required information, see Schedule 1.

*Information about trusts and changes in beneficiaries*

- 4 (1) The overseas entity must deliver to the registrar –
  - (a) a statement that the entity has no reasonable cause to believe that there is any person who, at the end of the relevant period, was a registrable beneficial owner of the entity by virtue of being a trustee, or
  - (b) a statement that the entity has reasonable cause to believe that there is at least one such person.
- (2) Where a statement is delivered under sub-paragraph (1)(b) the overseas entity must also deliver to the registrar –
  - (a) the required information about each trust (a “relevant trust”) by virtue of which a trustee was a registrable beneficial owner of the entity at the end of the relevant period,
  - (b) in relation to each relevant trust, a statement as to whether the entity has any reasonable cause to believe that there is required information about the trust that it has not been able to obtain, and
  - (c) in relation to each relevant trust, the statement in row 1 of the table set out in sub-paragraph (3), or the statement and information listed in row 2 of that table.
- (3) This is the table referred to in sub-paragraph (2)(c) –

	<i>Statement</i>	<i>Information</i>
1	A statement that the entity has no reasonable cause to believe that anyone became or ceased to be a beneficiary under the trust during the relevant period.	
2	A statement that the entity has reasonable cause to believe that at least one person became or ceased to be a beneficiary under the trust during the relevant period.	<p>1. The information specified in paragraph 8(1)(d) of Schedule 1 about each person who became or ceased to be a beneficiary under the trust during the relevant period, or so much of that information as the entity has been able to obtain.</p> <p>2. The date on which each of them became or ceased to be a beneficiary under the trust, if the entity has been able to obtain that information.</p>

- (4) Statements required by this paragraph to be delivered to the registrar must relate to the time when they are delivered.
- (5) Information required by sub-paragraph (2)(a) to be delivered to the registrar must relate to the state of affairs at the end of the relevant period.
- (6) Information required by sub-paragraph (2)(c) to be delivered to the registrar as a result of a person having become or ceased to be a beneficiary under a trust must relate to the state of affairs when the person became or ceased to be a beneficiary.
- (7) For the required information, see Schedule 1.

*Information about changes in trusts of which registrable beneficial owners trustees*

- 5 (1) The overseas entity must deliver to the registrar –
- (a) a statement that the entity has no reasonable cause to believe that there is any person who –
- (i) at the end of the relevant period, was a registrable beneficial owner of the entity by virtue of being a trustee of a trust,
  - (ii) at any time during the relevant period was a registrable beneficial owner by virtue of being a trustee of a different trust, and
  - (iii) at the end of the relevant period was not a registrable beneficial owner of the entity by virtue of being a trustee of the trust mentioned in sub-paragraph (ii), or

- (b) a statement that the entity has reasonable cause to believe that there is at least one such person.
- (2) Where a statement is delivered under sub-paragraph (1)(b) the overseas entity must deliver to the registrar –
  - (a) the required information about each trust by virtue of which a trustee was a registrable beneficial owner of the entity at any time during the relevant period, or so much of that information as the overseas entity has been able to obtain, and
  - (b) in relation to each such trust, a statement as to whether the entity has any reasonable cause to believe that there is required information about the trust that it has not been able to obtain.
- (3) Statements required by this paragraph to be delivered to the registrar must relate to the time when they are delivered.
- (4) Information required by sub-paragraph (2)(a) to be delivered to the registrar must relate to the state of affairs –
  - (a) at the beginning of the relevant period, if the registrable beneficial owner was a trustee of the trust at that time, and
  - (b) otherwise, at the time at which the registrable beneficial owner became a trustee of the trust.
- (5) For the required information, see Schedule 1.

*Compliance by confirmation of information previously provided*

- 6 A requirement imposed by paragraphs 2 to 5 to provide information may be met (in whole or in part) by confirming information previously provided.

*Failure to comply with this Schedule*

- 7 Section 8 (offence of failure to comply with updating duty) applies in relation to a failure to comply with a duty imposed by paragraphs 2 to 5 of this Schedule as it applies in relation to a failure to comply with section 7.

*Obtaining information*

- 8 (1) An overseas entity must comply with this paragraph before complying with the requirements imposed by paragraphs 2 to 5.
- (2) The entity must take reasonable steps –
  - (a) to identify anyone who became or ceased to be a registrable beneficial owner during the relevant period, and
  - (b) if it identifies any such person, to obtain –
    - (i) the information mentioned in row 2 of column 2 of the table in paragraph 3(1), and
    - (ii) in the case of anyone mentioned in paragraph 3(2), the information mentioned there.



- (3) The entity must take reasonable steps—
  - (a) to identify any person who, at the end relevant period, was a registrable beneficial owner by virtue of being a trustee, and
  - (b) if it identifies any such person, to obtain —
    - (i) the information mentioned in paragraph 4(2)(a) about the relevant trust,
    - (ii) information as to whether anyone became or ceased to be a beneficiary under the relevant trust during the relevant period (a “relevant beneficiary”), and
    - (iii) the information mentioned in row 2 of column 2 of the table in paragraph 4(3) in relation to any relevant beneficiary.
- (4) The entity must take reasonable steps—
  - (a) to identify any person who falls within paragraph 5(1)(a)(i) to (iii), and
  - (b) if it identifies any such person, to obtain the information mentioned in paragraph 5(2)(a).
- (5) The steps that an overseas entity must take by virtue of this paragraph include giving an information notice under this paragraph to any person that it knows, or has reasonable cause to believe, falls within sub-paragraph (2)(a), (3)(a) or (4)(a).
- (6) An information notice under this paragraph is a notice requiring the recipient to provide the information mentioned in sub-paragraph (2)(b), (3)(b) or (4)(b).
- (7) Sections 15 to 15B (offences) apply in relation to information notices under this paragraph as they apply in relation to information notices under section 12.

*Power to exclude descriptions of registrable beneficial owner*

- 9 (1) The Secretary of State may by regulations provide that, for the purposes of any provision of this Schedule specified in the regulations, a person of a description so specified is not to be treated as a registrable beneficial owner of an overseas entity.
- (2) No regulations may be made under sub-paragraph (1) after the end of the period of two years beginning with the day on which the Economic Crime and Corporate Transparency Act 2023 is passed.
- (3) The Secretary of State must consult the Scottish Ministers before making regulations under sub-paragraph (1) that contain provision that would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.
- (4) Regulations under sub-paragraph (1) are subject to the negative resolution procedure.”

**Schedule 6**

- 206 Page 206, line 39, leave out “relevant court” and insert “sheriff”
- 207 Page 207, line 11, leave out “relevant court of its” and insert “sheriff of the sheriff’s”
- 208 Page 207, leave out lines 20 to 24
- 209 Page 208, line 30, leave out “relevant court” and insert “sheriff”
- 210 Page 208, line 47, leave out “relevant court of its” and insert “sheriff of the sheriff’s”
- 211 Page 209, line 2, leave out “relevant court’s” and insert “sheriff’s”
- 212 Page 209, line 8, leave out “relevant court” and insert “sheriff”
- 213 Page 209, leave out lines 18 to 23
- 214 Page 209, line 27, leave out “the relevant court” and insert “a sheriff”
- 215 Page 209, line 30, leave out sub-paragraph (4) and insert –  
“(4) In subsection (2), for “131A” substitute “131ZB(3), 131A(3) or 131AA(2)”
- 216 Page 209, line 38, leave out sub-paragraph (6)
- 217 Page 210, line 14, leave out “a court” and insert “the sheriff”

**Schedule 7**

- 218 Page 220, leave out line 3 and insert –  
“RECOVERY OF CRYPTOASSETS: SEARCHES, SEIZURE AND DETENTION”
- 219 Page 230, leave out line 17 and insert –  
“RECOVERY OF CRYPTOASSETS: FREEZING ORDERS”
- 220 Page 237, leave out lines 24 to 26 and insert –  
“(10) The Secretary of State may not make regulations under subsection (7) unless the Secretary of State has –  
(a) consulted the Scottish Ministers and the Department of Justice, and  
(b) given a notice containing the relevant information to the Scottish Ministers and the Department of Justice.
- (11) Consultation under subsection (10)(a) must include consultation about any effects that the Secretary of State considers the regulations may have on –  
(a) a person in Scotland or Northern Ireland (as the case may be) applying for the forfeiture of cryptoassets held in a crypto wallet that is subject to a crypto wallet freezing order, and  
(b) a sheriff or court in Scotland or a court in Northern Ireland (as the case may be) considering such an application or making an order for such forfeiture.

- (12) In subsection (10)(b) “relevant information” means –
- (a) a description of –
    - (i) the process undertaken in order to comply with subsection (10)(a) in relation to the Scottish Ministers or the Department of Justice (as the case may be), and
    - (ii) any agreement, objection or other views expressed as part of that process by the Scottish Ministers or the Department of Justice (as the case may be), and
  - (b) an explanation of whether and how such views have been taken into account in the regulations (including, in a case where the Secretary of State proposes to make the regulations despite an objection, an explanation of the reasons for doing so).”

**221** Page 245, line 3, leave out “been made” and insert “effect”

**222** Page 263, line 36, leave out “been made” and insert “effect”

**223** Page 270, line 25, at end insert –

“13A In section 453C of the Proceeds of Crime Act 2002 (obstruction offence in relation to immigration officers), in subsection (3), after paragraph (g) insert –

- “(ga) section 303Z21 (powers to search for cryptoasset-related items) as applied by section 24 of the UK Borders Act 2007 (exercise of civil recovery powers by immigration officers);
- (gb) section 303Z26 as so applied (powers to seize cryptoasset-related items);
- (gc) section 303Z27 as so applied (powers to detain cryptoasset-related items);”.

**224** Page 271, line 10, at end insert –

*“Amendments to the UK Borders Act 2007*

- 16 (1) Section 24 of the UK Borders Act 2007 (exercise of civil recovery powers by immigration officers) is amended as follows.
  - (2) In subsection (1), for “3B” substitute “3F”.
  - (3) In subsection (2)(a), for “Chapter 3B” substitute “Chapters 3B to 3F”.
  - (4) In subsection (2)(c), after “303Z2(4)” insert “, Chapter 3C (see section 303Z20(4)), Chapter 3D (see section 303Z36(8)) and Chapter 3E (see section 303Z41(9))”.
  - (5) In subsection (2)(d), after “303G” insert “(including as section 303G is applied by section 303Z25)”.
  - (6) In subsection (2)(e), after “303I” insert “(including as sections 303H and 303I are applied by section 303Z25)”.
  - (7) In subsection (2)(f) –
    - (a) in the opening words, for “or 303L(1)” substitute “, 303L(1), 303Z28(1) or (4), 303Z32(1) or (4) or 303Z57(3) or (5)”;
    - (b) in sub-paragraph (ii), for “or (as the case may be) 303O” substitute “, 303O, 303Z41 or (as the case may be) 303Z60”.

- (8) In subsection (2)(g), for “or 303Z14” substitute “, 303Z14, 303Z41 or 303Z60”.
- (9) In subsection (2)(h), for “or 303Z18” substitute “, 303Z18, 303Z52 or 303Z64”.

#### Schedule 8

- 225 Page 295, line 27, leave out “been made” and insert “effect”
- 226 Page 310, line 41, leave out “been made” and insert “effect”

#### Schedule 9

- 227 Page 315, line 20, at end insert –  
 “20A An offence under section (*Failure to prevent fraud*) of this Act (failure to prevent fraud).”

#### After Schedule 9

- 228 Insert the following new Schedule –

#### “SCHEDULE

#### CRIMINAL LIABILITY OF BODIES: ECONOMIC CRIMES

##### *Common law offences*

- 1 Cheating the public revenue.
- 2 Conspiracy to defraud.
- 3 In Scotland, the following offences at common law –
  - (a) fraud;
  - (b) uttering;
  - (c) embezzlement;
  - (d) theft.

##### *Statutory offences*

- 4 An offence under any of the following provisions of the Theft Act 1968 –
  - (a) section 1 (theft);
  - (b) section 17 (false accounting);
  - (c) section 19 (false statements by company directors etc);
  - (d) section 20 (suppression etc of documents);
  - (e) section 24A (dishonestly retaining a wrongful credit).
- 5 An offence under any of the following provisions of the Theft Act (Northern Ireland) 1969 –
  - (a) section 1 (theft);
  - (b) section 17 (false accounting);
  - (c) section 18 (false statements by company directors etc);
  - (d) section 19 (suppression etc of documents);
  - (e) section 23A (dishonestly retaining a wrongful credit).

- 
- 6 An offence under any of the following provisions of the Customs and Excise Management Act 1979 –
- (a) section 68 (offences in relation to exportation of prohibited or restricted goods);
  - (b) section 167 (untrue declarations etc);
  - (c) section 170 (fraudulent evasion of duty).
- 7 An offence under the Forgery and Counterfeiting Act 1981 (forgery, counterfeiting and kindred offences).
- 8 An offence under section 72 of the Value Added Tax Act 1994 (fraudulent evasion of VAT).
- 9 An offence under section 46A of the Criminal Law (Consolidation) (Scotland) Act 1995 (false monetary instruments).
- 10 An offence under any of the following sections of the Financial Services and Markets Act 2000 –
- (a) section 23 (contravention of prohibition on carrying on regulated activity unless authorised or exempt);
  - (b) section 25 (contravention of restrictions on financial promotion);
  - (c) section 85 (prohibition on dealing etc in transferable securities without approved prospectus);
  - (d) section 398 (misleading the FCA or PRA).
- 11 An offence under any of the following sections of the Terrorism Act 2000 –
- (a) section 15 (fund-raising);
  - (b) section 16 (use and possession);
  - (c) section 17 (funding arrangements);
  - (d) section 18 (money laundering);
  - (e) section 63 (terrorist finance: jurisdiction).
- 12 An offence under any of the following sections of the Proceeds of Crime Act 2002 –
- (a) section 327 (concealing etc criminal property);
  - (b) section 328 (arrangements facilitating acquisition etc of criminal property);
  - (c) section 329 (acquisition, use and possession of criminal property);
  - (d) section 330 (failing to disclose knowledge or suspicion of money laundering);
  - (e) section 333A (tipping off: regulated sector).
- 13 An offence under section 993 of the Companies Act 2006 (fraudulent trading).
- 14 An offence under any of the following sections of the Fraud Act 2006 –
- (a) section 1 (fraud);
  - (b) section 6 (possession etc of articles for use in frauds);
  - (c) section 7 (making or supplying articles for use in frauds);
  - (d) section 9 (participating in fraudulent business carried on by sole trader);
  - (e) section 11 (obtaining services dishonestly).

- 15 An offence under any of the following sections of the Bribery Act 2010—  
(a) section 1 (bribing another person);  
(b) section 2 (being bribed);  
(c) section 6 (bribery of foreign public officials).
- 16 An offence under section 49 of the Criminal Justice and Licensing (Scotland) Act 2010 (possession, making or supplying articles for use in frauds).
- 17 An offence under any of the following sections of the Financial Services Act 2012—  
(a) section 89 (misleading statements);  
(b) section 90 (misleading impressions);  
(c) section 91 (misleading statements etc in relation to benchmarks).
- 18 An offence under regulation 86 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.
- 19 An offence under regulations made under section 49 of the Sanctions and Anti-Money Laundering Act 2018 (money laundering and terrorist financing etc).
- 20 (1) An offence under an instrument made under section 2(2) of the European Communities Act 1972 for the purpose of implementing, or otherwise in relation to, EU obligations created or arising by or under an EU financial sanctions Regulation.
- (2) An offence under an Act or under subordinate legislation where the offence was created for the purpose of implementing a UN financial sanctions Resolution.
- (3) An offence under paragraph 7 of Schedule 3 to the Anti-terrorism, Crime and Security Act 2001 (freezing orders).
- (4) An offence under paragraph 30 or 30A of Schedule 7 to the Counter-Terrorism Act 2008 where the offence relates to a requirement of the kind mentioned in paragraph 13 of that Schedule.
- (5) An offence under paragraph 31 of Schedule 7 to the Counter-Terrorism Act 2008.
- (6) An offence under regulations made under section 1 of the Sanctions and Anti-Money Laundering Act 2018 (sanctions regulations).
- (7) In this paragraph—  
“EU financial sanctions Regulation” and “UN financial sanctions Resolution” have the same meanings as in Part 8 of the Policing and Crime Act 2017 (see section 143 of that Act);  
“subordinate legislation” has the same meaning as in the Interpretation Act 1978.”

229

Insert the following new Schedule –

## “SCHEDULE

## FAILURE TO PREVENT FRAUD: FRAUD OFFENCES

*Common law offences*

- 1 Cheating the public revenue.
- 2 In Scotland, the following offences at common law –
  - (a) fraud;
  - (b) uttering;
  - (c) embezzlement.

*Statutory offences*

- 3 An offence under any of the following provisions of the Theft Act 1968 –
  - (a) section 17 (false accounting);
  - (b) section 19 (false statements by company directors etc).
- 4 An offence under any of the following provisions of the Theft Act (Northern Ireland) 1969 –
  - (a) section 17 (false accounting);
  - (b) section 18 (false statements by company directors etc).
- 5 An offence under section 993 of the Companies Act 2006 (fraudulent trading).
- 6 An offence under any of the following provisions of the Fraud Act 2006 –
  - (a) section 1 (fraud);
  - (b) section 9 (participating in fraudulent business carried on by sole trader);
  - (c) section 11 (obtaining services dishonestly).”

# Economic Crime and Corporate Transparency Bill

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## LORDS AMENDMENTS

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to be Printed, 10th July 2023.*

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