

# Sanctions and Anti-Money Laundering Bill [HL]

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SECOND  
MARSHALLED  
LIST OF AMENDMENTS  
TO BE MOVED  
IN COMMITTEE OF THE WHOLE HOUSE

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*The amendments have been marshalled in accordance with the Instruction of 15th November 2017, as follows –*

|                 |                  |
|-----------------|------------------|
| Clauses 1 to 4  | Clauses 42 to 47 |
| Schedule 1      | Schedule 3       |
| Clauses 5 to 41 | Clauses 48 to 53 |
| Schedule 2      | Title.           |

*[Amendments marked ★ are new or have been altered]*

**Amendment  
No.**

**Clause 17**

LORD COLLINS OF HIGHBURY  
LORD LENNIE

**52**

Page 15, line 20, leave out subsection (4) and insert –

“(4) For the purposes of subsection (2)(b), a body incorporated or constituted under the law of any part of the United Kingdom includes a body incorporated or constituted under the law of the following –

- (a) any of the Channel Islands;
- (b) the Isle of Man;
- (c) any of the British overseas territories.”

**Clause 19**

LORD COLLINS OF HIGHBURY  
LORD LENNIE

**53**

Page 16, line 14, at end insert –

“( ) Subsection (2) does not apply to designated persons who have not been notified of the reasons for their designation.”

**Clause 19 - continued**

LORD JUDGE  
LORD PANNICK  
LORD COLLINS OF HIGHBURY

54 Page 16, line 15, after “decide” insert “as soon as reasonably practicable”

LORD COLLINS OF HIGHBURY  
LORD LENNIE

55 Page 16, line 16, leave out from first “to” to end of line 17 and insert “decline the request to vary or revoke the designation, in which case the Minister must inform the designated person, in writing, of the reasons for declining their request.”

**Clause 20**

LORD JUDGE  
LORD PANNICK  
LORD COLLINS OF HIGHBURY

56 Page 16, line 43, leave out “3 years” and insert “1 year”

LORD COLLINS OF HIGHBURY  
LORD LENNIE  
BARONESS NORTHOVER

57 Page 17, line 1, leave out “3 years” and insert “1 year”

**Clause 26**

LORD COLLINS OF HIGHBURY  
LORD LENNIE

58 Page 19, line 10, at end insert –

“( ) No later than six months from the date of completion of a review under subsection (1), the appropriate Minister must lay the findings of the review before Parliament.”

**After Clause 26**

LORD COLLINS OF HIGHBURY  
LORD LENNIE

59 Insert the following new Clause –

**“Publication of an annual report**

- (1) The Secretary of State must, no later than 12 months from the date on which this Act comes into force, publish and lay before Parliament a report on the implementation and enforcement of the provisions under this Act, and such a report must include –
  - (a) a consolidated list of all sanctions regulations in place at the time of publication;
  - (b) detailed descriptions of measures taken to ensure that all sanctions regulations adhere to the purposes set out in section 1;

**After Clause 26 - continued**

- (c) detailed descriptions of steps taken to enforce any prohibitions and requirements under this Act in the United Kingdom, Crown Dependencies and British Overseas Territories;
  - (d) detailed descriptions of steps taken to promote the adoption of sanctions on a multilateral basis;
  - (e) detailed explanations of the outcome of any reviews carried out by an appropriate Minister under subsections (1) and (2) of section 26; and
  - (f) details of the content of any further measures which the Secretary of State plans to make by virtue of regulations under this Act.
- (2) Subsequent to the publication of the first report under subsection (1), the Secretary of State must publish and lay before Parliament a report in accordance with the criteria set out in subsection (1)(a) to (f) on an annual basis thereafter.”

**Clause 27**

LORD JUDGE  
LORD PANNICK

60 Page 19, line 15, at end insert –

- “(2) The appropriate Minister must by regulations make provision in respect of all such requests and reviews to ensure that the designated person is told, as soon as reasonably practicable after designation, why he has been so designated and the evidence on which such designation is based.
- (3) The appropriate Minister may exclude from disclosure under subsection (2) any information which, in his opinion, would be damaging to national security if so disclosed, save that the Minister must, in any event, disclose to the designated person the gist of the case against him.”

**Clause 30**

BARONESS NORTHOVER  
BARONESS SHEEHAN

61 Page 21, line 21, at end insert “, and must give reasons for the decision to the person who made the request”

**Clause 32**

LORD JUDGE  
LORD PANNICK  
LORD MCNALLY

62 Page 23, line 16, at end insert –

- “( ) For the avoidance of doubt, in relation to a decision under subsection (1)(c) above, the court has power to set aside the designation if satisfied that it is in breach of the principles applicable on an application for judicial review.”

**Clause 35**

LORD COLLINS OF HIGHBURY  
LORD LENNIE

63 Page 26, line 16, at end insert “but any such period may not exceed 12 months”

64 Page 26, line 16, at end insert –

“( ) Regulations under this section may be renewed after a period of 12 months, but the relevant requirements of regulations under section 1 may not be suspended for a period in excess of three years except by regulations to which section 45(5) applies.”

BARONESS NORTHOVER  
LORD MCNALLY

*The above-named Lords give notice of their intention to oppose the Question that Clause 35 stand part of the Bill.*

**Clause 38**

LORD COLLINS OF HIGHBURY  
LORD LENNIE

65 Page 26, line 36, leave out paragraph (a)

66 Page 27, line 4, at end insert –

“( ) Regulations under section 1, which are made by virtue of this section for the purposes of revoking or substantially reducing the effects of sanctions regulations, must be accompanied by the publication of a written memorandum by the appropriate Minister, and such a memorandum must set out –

- (a) how the decision to amend or revoke the regulations in question is consistent with the overall foreign policy objectives of the UK government, including any specific regional objectives where appropriate;
- (b) the extent to which each initial objective of the regulations in question has been met, including any specific demands or expectations of any change in the behaviour of the target or targets of the sanctions; and
- (c) specific provisions for the reinstatement of the initial regulations, in the event that the conditions justifying their revocation or amendment no longer apply.”

67 Page 27, line 5, leave out subsection (3)

68 Page 27, line 10, at end insert –

“( ) Regulations under section 1 may only be revoked by further regulations to which section 45(5) applies.”

**Clause 39**

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER  
LORD COLLINS OF HIGHBURY

*The above-named Lords give notice of their intention to oppose the Question that Clause 39 stand part of the Bill.*

**Clause 41**

BARONESS BOWLES OF BERKHAMSTED  
BARONESS KRAMER

68A Leave out Clause 41 and insert—

**“Money laundering**

Henceforth the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 may only be amended or revoked by an Act of Parliament.”

BARONESS KRAMER  
BARONESS BOWLES OF BERKHAMSTED

*The above-named Lords give notice of their intention to oppose the Question that Clause 41 stand part of the Bill.*

**After Clause 41**

LORD FAULKS  
BARONESS BOWLES OF BERKHAMSTED  
LORD ROOKER  
LORD COLLINS OF HIGHBURY

69 Insert the following new Clause—

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

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

**After Clause 41 - continued**

BARONESS BOWLES OF BERKHAMSTED  
BARONESS KRAMER

**69A** Insert the following new Clause—

**“Money laundering exemptions**

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

BARONESS BOWLES OF BERKHAMSTED  
BARONESS KRAMER  
LORD COLLINS OF HIGHBURY  
LORD HAIN

**69B** Insert the following new Clause—

**“Failure to prevent money laundering**

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

**After Clause 41 - continued**

- (6) In this section, “relevant body” and “acting in the capacity of a person associated with B” have the same meaning as in section 44 of the Criminal Finances Act 2017 (meaning of relevant body and acting in the capacity of an associated person).”

BARONESS BOWLES OF BERKHAMSTED  
BARONESS KRAMER

**69C** Insert the following new Clause—

**“Disqualification**

In the event that adequate procedures under subsection (2)(a) of section (Failure to prevent money laundering) are found not to be in place, the Secretary of State must refer to the court a disqualification order under section 8 of the Company Directors Disqualification Act 1986 (disqualification of director on finding of unfitness).”

**Schedule 2**

LORD JUDGE  
LORD PANNICK  
LORD DAVIDSON OF GLEN CLOVA  
BARONESS KRAMER

**70** Page 47, line 14, leave out paragraph 15

**71** Page 47, line 23, leave out paragraph 18

BARONESS KRAMER  
BARONESS BOWLES OF BERKHAMSTED

*The above-named Lords give notice of their intention to oppose the Question that Schedule 2 be the Second Schedule to the Bill.*

**Clause 44**

LORD JUDGE  
LORD PANNICK  
BARONESS NORTHOVER  
LORD COLLINS OF HIGHBURY

**72** Page 29, line 29, leave out subsection (2)

**Clause 45**

LORD COLLINS OF HIGHBURY  
LORD LENNIE  
BARONESS NORTHOVER

**73** Page 30, line 21, leave out paragraph (a)

**74** Page 30, line 36, at end insert—

“(za) non-UN regulations under section 1 (see subsection (7)),”

**Clause 45 - continued**

LORD COLLINS OF HIGHBURY  
LORD LENNIE

- 75 Page 30, line 38, at end insert –  
“() regulations under section 35,  
() regulations under section 38,”

BARONESS NORTHOVER  
BARONESS SHEEHAN

- 75A Page 30, line 38, at end insert –  
“() regulations under section 16,”

LORD COLLINS OF HIGHBURY  
LORD DAVIDSON OF GLEN CLOVA

- 75B★ Page 30, line 41, leave out paragraph (d)

BARONESS NORTHOVER  
BARONESS SHEEHAN

- 76 Page 30, line 45, at end insert –  
“() A statutory instrument containing regulations under section 1 that repeals, revokes or amends –  
(a) an Act of the Scottish Parliament,  
(b) a Measure or Act of the National Assembly for Wales, or  
(c) Northern Ireland legislation,  
must receive the consent of the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly.”

LORD COLLINS OF HIGHBURY  
LORD DAVIDSON OF GLEN CLOVA

- 76A Page 30, line 45, at end insert –  
“() A statutory instrument containing regulations under section 41 may not be made unless a draft of the instrument has been laid before, and approved by a resolution of each House of Parliament, in accordance with the super-affirmative procedure as set out in section (*Super-affirmative procedure for regulations under section 41*).”

**After Clause 45**

LORD COLLINS OF HIGHBURY  
LORD DAVIDSON OF GLEN CLOVA

- 76B Insert the following new Clause –  
**“Super-affirmative procedure for regulations under section 41**  
(1) Before a statutory instrument containing regulations under section 41 of this Act may be made, the Secretary of State must undertake a consultation with –  
(a) relevant persons whom the Secretary of State deems appropriate;



**After Clause 45 - continued**

- (b) any persons or bodies recommended to the Secretary of State by the House of Commons Treasury Select Committee or any other relevant Parliamentary committee;
  - (c) such persons or organisations as appear to him or her to be representative of interests substantially affected by the proposals.
- (2) If, after such a consultation, the Secretary of State considers it appropriate to proceed with the making of the regulations, the Secretary of State must lay before Parliament—
  - (a) a draft statutory instrument, and
  - (b) a document which explains the instrument.
- (3) The Secretary of State may not act under subsection (2) before the end of the period of twelve weeks beginning with the day on which the consultation began.
- (4) The Secretary of State may make regulations in the terms of the draft laid under subsection (2) if, after the expiry of the 40-day period, the draft instrument is approved by a resolution of each House of Parliament.
- (5) But the procedure in subsections (6) to (9) is to apply to the draft instrument instead of the procedure in subsection (4) if—
  - (a) either House of Parliament so resolves within a 30-day period, or
  - (b) a committee of either House charged with reporting on the draft instrument so recommends within a 30-day period and the House to which the recommendation is made does not by resolution reject the recommendation within that period.
- (6) The Secretary of State must have regard to—
  - (a) any representations,
  - (b) any resolution of either House of Parliament, and
  - (c) the recommendations of the relevant Parliamentary committees, and any other recommendations of a committee of either House of Parliament charged with reporting on the draft regulations,made during the 60-day period.
- (7) If, after the expiry of the 60-day period, the draft is approved by a resolution of each House of Parliament, the Secretary of State may make regulations in the terms of the draft instrument.
- (8) If, after the expiry of the 60-day period, the Secretary of State wishes to proceed but with material changes, the Secretary of State may lay before Parliament—
  - (a) a revised draft instrument, and
  - (b) a statement giving a summary of the changes proposed; and any representations made to the Secretary of State under subsection (6).
- (9) If the revised draft is approved by a resolution of each House of Parliament as under subsection (4), the Secretary of State may make regulations in the terms of the revised draft.

**After Clause 45 - continued**

- (10) However, a committee of either House charged with reporting on the revised draft regulations may, at any time after the revised draft instrument is laid under subsection (8) and before it is approved by that House under subsection (4), recommend under this section that no further proceedings be taken in relation to the revised draft instrument.
- (11) For the purposes of this section, an instrument is made in the terms of a revised draft instrument if it contains material changes to its provisions.
- (12) In this section, references to “30-day”, “40-day” and “60-day” periods in relation to any draft instrument are to the periods of 30, 40 and 60 days beginning with the day on which the draft instrument was laid before Parliament; in calculating those periods no account is to be taken of any time during which Parliament is dissolved or prorogued or during which either House is adjourned.”

**Clause 47**

BARONESS KRAMER  
BARONESS BOWLES OF BERKHAMSTED

77 Page 32, line 13, leave out subsections (1) to (3)

**Schedule 3**

BARONESS NORTHOVER  
BARONESS SHEEHAN

78 Page 49, line 22, at end insert –

“*Insolvency Act 1986 (c. 45)*

In section 124A, after paragraph (1)(d) insert –

“(e) any information notified to the Secretary of State pursuant to regulations made under section 1 of the Sanctions and Anti-Money Laundering Act 2017.””

**Clause 50**

BARONESS NORTHOVER  
BARONESS SHEEHAN

79 Page 34, line 29, at end insert –

““company” means means a company registered under the Companies Act 2006 in the United Kingdom or a company that may be wound up under Part 5 of the Insolvency Act 1986 (unregistered companies);”

80 Page 34, line 38, at end insert –

““overseas company” means a company incorporated or formed outside the United Kingdom;”

**Clause 50 - continued**

LORD JUDGE  
LORD PANNICK  
LORD MCNALLY

81 Page 35, line 15, leave out subsection (4)

**Clause 51**

LORD COLLINS OF HIGHBURY  
LORD DAVIDSON OF GLEN CLOVA

82 Page 35, line 24, at end insert “, the Channel Islands, the Isle of Man and the British overseas territories”

83 Page 35, line 30, leave out from “for” to end of line 33 and insert “any regulations under any Part of this Act to extend to –”

84 Page 36, line 8, at end insert –

- “(8) The Secretary of State must, no later than 12 months from the date on which this Act comes into force, lay before Parliament a report on the implementation and enforcement of the relevant legislation, to the extent that it applies to sanctions and money laundering, in each Crown Dependency and British overseas territory and the scope of such a report must include –
- (a) whether the applicable legal frameworks are sufficiently robust to achieve the objectives of the relevant legislation across the United Kingdom, the Crown Dependencies and the British overseas territories,
  - (b) whether the existing enforcement mechanisms are sufficiently robust to ensure that the relevant legislation is enforced to the same standard across the United Kingdom, the Crown Dependencies and the British overseas territories, and
  - (c) whether the existing mechanisms by which the government of the United Kingdom exercises oversight of Crown Dependencies and British overseas territories are sufficient to enable continuous monitoring of the implementation and enforcement of the relevant legislation in each territory on an ongoing basis.
- (9) Following the publication of a report under subsection (8), the Secretary of State must consult on whether further legislation or enforcement powers are necessary to ensure adequate implementation and enforcement of the relevant legislation across the Crown Dependencies and British overseas territories, and such a consultation must include representatives of –
- (a) each Crown Dependency and British overseas territory,
  - (b) governments of European Union Member States and the European External Action Service,
  - (c) the Financial Action Task Force, and
  - (d) such other persons as the Secretary of State considers appropriate.
- (10) For the purposes of subsections (8) and (9), “the relevant legislation” includes, in addition to any provision of this Act –

**Clause 51** - *continued*

- (a) the Customs and Excise Management Act 1979,
- (b) the Export Control Act 2002,
- (c) the Terrorism Act 2000,
- (d) the Anti-Terrorism, Crime and Security Act 2001,
- (e) the Proceeds of Crime Act 2002,
- (f) the Terrorist Asset-Freezing etc Act 2010,
- (g) the Policing and Crime Act 2017,
- (h) the ISIL (Da'esh) and Al-Qaida (Asset-Freezing) Regulations 2011 (SI 2472/2011),
- (i) the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 692/2017), and
- (j) such other legislation as the Secretary of State considers appropriate.”

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*27 November 2017*

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